



C H A S

**Comprehensive
Housing
Affordability
Strategy**

FY 1992 -1996



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SECTION 1

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Comprehensive Housing
Affordability Strategy
(CHAS)

Appendix B
U.S. Department of Housing
and Urban Development
Office of Community Planning
and Development



Name of Jurisdiction(s) or Consortium:

City of Middletown, Connecticut

Contact Person:

William M. Kuehn, Jr.

Telephone Number:

(203) 344-3419

Address:

Municipal Development Office, Room 208
Municipal Building, P.O. Box 1300
Middletown, CT 06457

Type of
Submission:

(mark one)

☒ New Five Year CHAS

For Fiscal Year 1992 through Fiscal Year 1996

☐ Annual Update *

For Fiscal Year _____

(mark one)

☒ Initial Submission

☐ Resubmission

☐ Amendment **

* If an Annual Update, mark one:

☐ Parts 4 (Resources) & 5 (Implementation) Only

☐ Parts 4 & 5, plus minor changes: (mark all those which apply)

Part 1 - Needs Assessment

☐ Narrative

☐ Tables

Part 2 - Market & Inventory Conditions

☐ Narrative

☐ Tables

Part 3 - Strategies

☐ Narrative

☐ Tables

** For all amendments, specify the nature of the amendment below and attach amended portions to this cover sheet.

Jurisdiction

Name of Authorized Official:

Sebastian J. Garafalo, Mayor

Signature & Date:

Sebastian J. Garafalo July 23, 1992

HUD Approval

Name of Authorized Official:

Signature & Date:

X

SECTION 2

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SECTION 3

TRANSMITTAL LETTER

July 23, 1992

William Hernandez, Jr., Manager
U.S. Department of Housing and Urban Development
Hartford Area Office, Region I
330 Main Street
Hartford, CT 06106

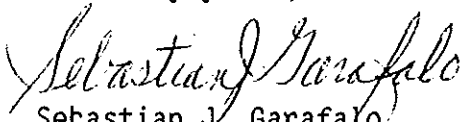
Dear Mr. Hernandez:

It is my pleasure to submit to you, Middletown's first Comprehensive Housing Affordability Strategy document, which the City has prepared pursuant to the Cranston-Gonzalez National Affordable Housing Act of 1990.

This report will serve as a means to allocate the City's resources for housing and support services and further guide future policy/planning decisions regarding the need to adequately house our citizenry.

As new information is received from the U.S. Census of 1990, I believe our ability to understand Middletown's inventory and needs will be enhanced and reflected in future CHAS reports. I am pleased that the CHAS process has provided the City with an occasion to look at its overall housing picture and to assess the needs and opportunities so that we can strive to fulfill the goals that have been set before us. I trust that all of us working together at the Federal, State and local level can make a difference.

Sincerely yours,


Sebastian J. Garafalo,
Mayor

SJG/lmk

SECTION 4

SUMMARY OF PROCESS OF DEVELOPMENT OF CHAS

PREFACE

The City of Middletown was first settled in 1650. During Colonial times, the City also consisted of Portland, Cromwell, part of East Hampton and Middlefield. Now a community of 42.9 square miles situated on the west shore of the Connecticut River, Middletown had a 1990 population of 42,762. Middletown can best be described as a small satellite city with easy access to both Hartford and New Haven. It is the home of Wesleyan University, Middlesex Community College and several State institutions, including Connecticut Valley Hospital and Long Lane School.

Historically, the City of Middletown owes much of its growth during the 1700's and 1800's to its links with the sea by deriving significant wealth from the shipping interests and financial institutions which settled in Middletown. The Revolutionary War period was marked by Middletown's role in contributing war provisions. Throughout the 1800's and into the mid-1900's, several large manufacturing facilities were the basis of employment for City residents.

Today, the largest employers are Pratt & Whitney, Aetna Life & Casualty, Wesleyan University and Middlesex Hospital.

Like many communities in northeastern United States, the recession of the last several years has had a severe impact upon the City through the loss of manufacturing and service jobs. As such, the social service fabric of the community struggles to keep pace with the needs of Middletown citizenry. Likewise, the high cost of living in Connecticut had also adversely affected people's ability to find affordable accommodations.

One of the difficulties of preparing a CHAS for 1992 is the lack of the full range 1990 Census data. Therefore, a significant portion of the

statistical information has as its basis the 1980 Census. This CHAS will also reference other studies as prepared by the Middletown Housing Partnership and the Planning & Zoning Department. The latter documents were prepared using data developed during the 1980's and, therefore, may conflict with the 1990 Census data when published. Thus, it is with that understanding that all the data may not reconcile due to the variety of source of material used and the different times during which the material was gathered.

CHAS DEVELOPMENT PROCESS

In order to form a backdrop for the preparation of the CHAS, the City of Middletown through its Mayor and Common Council, authorized the formation of the Middletown Housing Partnership on August 8, 1988 pursuant to Public Act 88-305 of the Connecticut General Assembly. Seventeen individuals were appointed to the Housing Partnership, representing a broad range of elected officials, business representatives, housing advocates, planners and community development professionals. From 1988 through 1990, the Middletown Housing Partnership through its "Needs" and "Resources" subcommittees developed a plethora of information in search of providing affordable housing opportunities within the City of Middletown.

This unexpected foresight, on the part of the State and the City in creating the Housing Partnership, led to the coalition of a body of individuals who became extremely knowledgeable in local housing issues. It is from this organization that five members were selected to serve as a subcommittee to review the development of the CHAS and to serve as a clearinghouse for public comment.

The staff preparation of the CHAS was undertaken by the City's Municipal Development Office.

Due to the unavailability of the full range of 1990 Census data, considerable reliance was placed upon 1980 information which was utilized in the Middletown Housing Partnership's studies and used almost exclusively in the preparation of the most recent Housing Assistance Plan dated November 1989. Where possible, the 1990 Census data is the basis for population and household data. At this writing, 1990 income data has not been made available to Middletown. Thus, the most recent median incomes as determined by HUD are used to determine very low, low and moderate income family incomes. To the extent

that updated information is available through the State of Connecticut's CHAS as prepared by the Connecticut Department of Housing, that information was utilized. It is anticipated that once the 1990 Census Data is fully made available, considerable revisions to Sections 5 and 6 of this report will be required.

During the preparation of the CHAS, Municipal Development Office staff made direct contact with all those entities who knowingly play a role in the affordable housing process. They include: Equity in Housing, Inc.; Middletown Housing Authority; the Greater Middletown Community Corporation (GMCC); Gilead House; The Connection, Inc.; and, Nehemiah Housing Corporation. Additionally, reports of the Middletown Housing Partnership, also staffed by the Municipal Development Office, and data from the City's Planning and Zoning Department were used.

In the final analysis, the first year of the CHAS must be considered as a "shake-down cruise". A greater understanding of the process and greater availability of data in the future will serve to create a better understanding of the needs and requirements of both the U.S. Department of Urban Development and of the City of Middletown.

SECTION 5

NEEDS

COMMUNITY PROFILE

NEEDS ASSESSMENT

When the Municipal Development Office prepared the Housing Assistance Plan for the period October 1, 1986 through September 30, 1989, HUD reviewers recommended that the data for Table II entitled, "Rental Subsidy Needs of Lower Income Households" be derived from STF4 data of the 1980 Census according to HUD methodology. That suggestion was adopted and, subsequently, the data was revised estimating the rental subsidy needs reflected in the most recent Housing Assistance Plan as approved in January 1990. Therefore, the data shown in CHAS Table 1A is based upon 1986 HAP numbers which were increased by the growth rate of occupied units (16.2%) and diminished by the number of units assisted over the three (3) year period 1986-1989 through new Section 8 activity by the Middletown Housing Authority (183 units).

CITY TABLE "A"

RENTAL SUBSIDY NEEDS

<u>Elderly</u>		<u>Small Family</u>		<u>Large Family</u>		<u>Total</u>	
(1986)	1989	1986	1989	(1986)	1989	(1986)	1989
(373)	399	(774)	843	(223)	236	(1,369)	1,478
(106)	114	(471)	508	(111)	120	(688)	742

SOURCE: HAP 1989

Table 1A showing the Housing Assistance Needs by ethnic group is also based upon the 1989 HAP which showed the following percentages of racial groups which were considered lower income families: White - 39%; Black - 53%; Hispanic - 64%; and, other - 41%. The needs of the various minority groups are represented proportionally to the total minority group needs in CHAS Table 1A.

In November 1991, a report was produced entitled "An Analysis of Key Demographic Developments in the Meriden, Middlesex Service Delivery Area and Connecticut: Findings from the 1990 Census". This report was prepared for the purpose of gaining a better understanding of the market and population conditions in the area served by the Job Training Partnership Act for the City of Meriden and Middlesex County which includes Middletown. City Table 8 summarizes some of the findings and shows a comparison of 1980 and 1990 Census data with regard to the number and percent of family households in: the Midstate Regional Planning Area (8 northern towns of Middlesex County), the City of Middletown; and, the remaining seven (7) towns within the Midstate Region.

CITY TABLE "B"
NUMBER AND PERCENT OF HOUSEHOLDS

	1980	1990	% CHANGE 1980-1990
<u>MIDDLETOWN</u>			
Total # Households	14,130	16,821	19.0%
# Family Households	9,474	10,280	8.5%
% Family Households	67.1%	61.1%	(-) 6.0%
<u>MIDSTATE R.P.A.</u>			
Total # Households	30,710	36,795	19.8%
# Family Households	22,409	25,205	12.5%
% Family Households	73.0%	68.5%	(-) 4.5%
<u>MIDSTATE R.P.A./NCN-MIDDLETOWN</u>			
Total # Households	16,580	19,974	20.5%
# Family Households	12,935	14,925	15.4%
% Family Households	78.0%	74.7%	(-) 4.5%

Source: An Analysis of Key Demographic Developments in the Meriden-Middlesex Service Delivery Area and Connecticut: Findings from the 1990 Census; November, 1991. (Private Industry Council Report)

Between 1980 and 1990, the total number of households increased in Middletown by 19%, while the number of family households only increased by 8.5%. Between 1980 and 1990, the percentage of family households to total households decreased from 67.1% to 61.1%. In other words, the non-family households increased by over 40% for the ten (10) year period 1980 through 1990 while family households increased by 8.5%. By showing corresponding data for the entire Midstate Region and the seven suburban/rural communities within the Region, the City's accommodation of a greater variety of housing other than family households is very evident. Note in the seven suburban/rural Midstate communities, the percentage of family households to total households only decreased from 78% to 74.7% in the ten (10) year period.

To underscore the disproportionately in homeownership between the various ethnic groups, City Table C shows the homeownership rates for the City of Middletown in 1980 and 1990 and for the Midstate Region for 1990. Note that between 1980 and 1990, homeownership rate increased for every ethnic group; however, the greatest gains were scored by Hispanics. Still, when compared to the whole Region, the City of Middletown carries a greater responsibility for the renters, for not only minority groups, but for the non-minority groups as well.

CITY TABLE "C"
HOME OWNERSHIP RATES

	MIDDLETOWN		MIDSTATE R.P.A.
	1980	1990	1990
WHITE/NON-HISPANIC	51.9%	53.7%	69.0%
BLACK/NON-HISPANIC	25.4%	28.6%	32.7%
HISPANIC	22.0%	29.4%	43.5%
OTHER/NON-HISPANIC	31.5%	35.5%	50.5%

Source: Private Industry Council Report

From the State of Connecticut CHAS, published April 1992, the following was noted: "According to the Department of Housing's 1989 Catalog of Publicly Assisted Rental Housing, Midstate region towns contain 3,238 publicly assisted rental units. This figure includes tenant based certificates including vouchers from the federal government and the State of Connecticut. This total broke down to 2,158 family units and 1,080 elderly units. Of this total, 2,776 units or 85.7 percent were located in Middletown..... It is clear that Middletown contains a disproportionate amount of subsidized housing than the remainder of the region. This total has to be distributed through the whole region to assure adequate housing choice and opportunity for low income residents." Further, the Connecticut CHAS noted: "Middletown contains 67.8 percent of the region's renter occupied units... Middletown holds 6,975 or 78.7 percent of the region's minority population. This group accounts for 16.3 percent of the town's total population."

City Table D, taken from a series of tables within the Private Industry Council study, shows a comparison between 1980 and 1990 of the total number of families broken down into married couples, male-headed/no spouse, and female-headed/no spouse. Most striking is the increase over the ten (10) year period of the number of female-headed families with no spouse present -an increase of 392 family units. Of note, from the 1990 data are the statistics showing that 46.8% of all Black families are female headed with no spouse and 39.3% of all Hispanic families are female-headed with no spouse. In contrast, the male-headed family households with no spouse present record only two percentage points difference among the White, Black and Hispanic households.

CITY TABLE "D"

DISTRIBUTION OF FAMILIES WITH ONE OR MORE RELATED CHILDREN

	1980	1990	# CHANGE 1980-1990
<u>MIDDLETOWN-ALL FAMILIES</u>			
Total # Families	9,474 (100.0%)	10,280 (100.0%)	806
Married Couples/ Families	7,501 (79.2%)	7,813 (76.0%)	312
Male Headed Family/ No Spouse	359 (3.8%)	461 (4.5%)	102
Female Headed Family/ No Spouse	1,614 (17.0%)	2,006 (19.5%)	392
<u>WHITE/NON-HISPANIC</u>			
Total # Families		8,959 (100.0%)	
Married Couples/Families		7,135 (79.6%)	
Male Headed Family/No Spouse		386 (4.3%)	
Female Headed Family/No Spouse		1,438 (16.1%)	
<u>BLACK</u>			
Total # Families		1,054 (100.0%)	
Married Couples/Families		502 (47.6%)	
Male Headed Family/No Spouse		59 (5.6%)	
Female Headed Family/No Spouse		493 (46.8%)	
<u>HISPANIC</u>			
Total # Families		272 (100.0%)	
Married Couples/Families		148 (54.4%)	
Male Headed Family/No Spouse		17 (6.3%)	
Female Headed Family/No Spouse		107 (39.3%)	

Source: Private Industry Council Report



MIDDLETOWN HOUSING PARTNERSHIP

SUBCOMMITTEE ON HOUSING NEEDS

INTRODUCTION (AMENDED 4/10/89)

The housing crisis which exists throughout the State of Connecticut has effected the abilities of households to both find affordable rental housing and to purchase housing. These problems are no longer confined to lower income households, but affect even families with incomes at and above the median. This report examines the housing situation in the City of Middletown. It examines the existing conditions in both the rental and ownership markets in the City and attempts to identify particular needs in each segment of the market.

In conducting its study the Committee reviewed data from a variety of sources including the Middletown Board of Realtors, the Connecticut Department of Housing, the U.S. Department of Housing & Urban Development, the Census Bureau and a variety of others.

For purposes of consistency, the Committee used the following standards for measuring affordability:

- A. Rental housing is affordable when it costs a household no more than 30% of its gross monthly income to pay rent and utilities.
- B. Owner occupied housing is considered affordable if it costs a household no more than 30% of its gross monthly income to pay mortgage taxes, insurance, utilities and condominium or similar fees, where applicable. (NOTE: Financial institutions tend to use 28% of GMI as a maximum amount)

I. RENTAL HOUSING

- A. In order to develop data on the cost of existing non-assisted or private rental housing in Middletown, the Committee conducted a survey of 281 2-bedroom units in December 1988. Based on this survey, two bedroom, non-subsidized units range from \$515 per month including heat and hot water, to \$850 per month for a luxury unit. The survey also indicated a vacancy rate of only 1.4%. This rate is indicative of a tight market.

B. Subsidized Rental Housing

The affordability of these units is guaranteed to cost no more than 25%-30% of the monthly household income for low income households who fall within the federal maximum income (Section 8) guidelines. There is a large waiting list for public housing.

C. Other Assisted Housing

A household of three with an annual income under \$19,965.00 would be eligible to rent a 2-bedroom unit costing \$263-\$320 per month including heat, some including electric (based on a survey of 586 2-bedroom units). However, the vacancy rate is at zero.

D. Discussion

TABLE I

1988 ESTIMATED HOUSEHOLD INCOME

	Number	%	Affordable Rent Range
±15,000	3,219	21.8	0 - 375
15,000 - 24,999	2,863	19.4	375 - 624
25,000 - 34,999	2,320	15.7	624 - 875
35,000 - 49,999	2,947	19.9	875 - 1,250
50,000 +	3,424	23.2	1,250 +
Total	14,773	100	

Source: Donnelly Demographics

Table I provides data on households by income range. The Table also indicates affordable rent ranges for the various income groups. This data suggests that for most households, the private market provides units which would be affordable.

More specifically, 60% of the households in the City have incomes which are adequate to afford \$515 per month, the low end of the market range, and even the high end of the range, \$850 per month, is affordable to more than 45% of the City's households.

This does not mean, however, that there are not problems in the rental market. As noted previously, the vacancy rate is only 1.4% which is considered very tight. Furthermore, rentals tend to be concentrated at the lower end of the income spectrum. Based on 1980 Census data for the Midstate Region, only an approximate 27% of renters had income above the regional median and a more recent state-wide survey, conducted by the Institute of Social Inquiry at UCONN for the State Department of Housing (Summer 1988) found that 53% of households with incomes less than \$30,000 were renters compared with only 8% of those with incomes over \$50,000. In light of this information--there is a problem at the lower end of the income spectrum.

The 3,219 households (Table I) earnings less than \$15,000 per year make up 21.8% of the City's population. Available assisted housing located within the larger complexes in Middletown currently provide 2,374 units. However, a substantial proportion of the households with the lowest incomes, at least 600, are elderly homeowners, often with small or no mortgage payments. (Based on applications received by the City Tax Assessors for the Freeze & Heart Programs). Based on this basic analysis, there is a need for at least 245 additional rental units for households earning less than \$15,000 annually.

Based on the data available, it appears that one group which is particularly poorly served by both the existing private market and the assisted market is that group earning approximately \$15,000 - \$25,000 per year. This group, capable of paying \$375 to \$625 per month must struggle to find rental units which are affordable in the private market, but may not qualify for other assisted housing.

II. OWNERSHIP OPPORTUNITIES

In order to determine the cost of housing available, the Committee reviewed data from the Multiple Listing Service for the week of December 16, 1988. This listing included some 163 single family units, 138 condominium units and 29 multi-family structures. Table II provides data on single family housing. Table III provides comparable information on condominiums.

TABLE II

PRICE RANGES SINGLE FAMILY HOUSING*

Total	Low	Median	High	%±120,000	%±150,000	%±250,000
163	109,000	195,000	700,000	3	24.5	41

* Prices are offering prices. Sales prices tend to be 5-10% less in the current market.

TABLE III

PRICE RANGES FOR CONDOMINIUMS

Total	Low	Median	High	%±120,000	%±150,000	%±250,000
138	77,500	125,450	185,000	38	75	0

Assuming a 10.5% interest rate mortgage, a family would require an income of \$61,000 per year in order to purchase a median priced home and more than \$50,000 per year to afford a median priced condominium unit assuming in both cases that it had available 20% available for a down payment. In the case of a house, the required down payment would be \$39,000; for a condo, \$25,000.

The report generated by the Institute of Social Inquiry, although not Middletown specific but Statewide, revealed a strong desire for home ownership among non-owners. 74% of non-owners indicated a preference for ownership, but an even greater percentage, 81%, indicated that cost was a problem. Among the various age groups, the greatest desire for homeownership (89%) came from those under 30. (NOTE: Study did not provide data for 25-34);

TABLE IV

1988 ESTIMATED HOUSEHOLD INCOME 25 - 35 YEAR OLD HOUSEHOLDS

15,000	736	20.5%
15,000 - 24,999	987	27.5%
25,000 - 34,999	615	17.2%
35,000 - 49,999	669	18.7%
Total	3,582	100%

Our realtor survey indicated that 50% of their customers are first time buyers. Table IV provides data on Middletown households by income for those households with heads age 25-34 years of age. This group has been, traditionally, the group trying to enter the housing market for the first time. More than 80% of these households have incomes less than \$50,000, the minimum necessary to purchase a median priced condominium in the City. It is clear that an even greater percentage lack the \$61,000 necessary to purchase a single family house. In the current market, the major public program in Connecticut to assist moderate income households to access the ownership market is the Connecticut Housing Finance Authority (CHFA) Home Mortgage program. By and large, CHFA has targeted first time home buyers.

Therefore, it seems worthwhile to examine the number of units which meet CHFA price guidelines. Only 7 single family units fell within price guidelines. (The maximum purchase price for a home/condo in Middletown under CHFA is \$121,000). Quality standards were not determined. Half of the condominium units met the price standards, but again, no attempt to determine eligibility from a quality standard was made. However, local realtors report that this is a major drawback to many lower priced condominiums.

CONCLUSION

Low Income Housing

Additional directly subsidized rental units are needed to house the City's low income non-homeowning households with annual incomes less than \$15,000. The Middletown Housing Authority, Nehemiah Housing Corporation and some other non-profits are committed to serving this sector of our City's population and have completed several projects utilizing State and Federal funds. The MHP should continue to work with these organizations to provide additional low income rental units. Additionally, the City of Middletown is participating in the State Rental Rehabilitation Program which is designed to fund the rehab of privately owned units if rented to low income households. This year ten new units will be completed under this program. The MHP and the City should combine their support for this program.

Low and Moderate Income Housing

The City has several assisted housing units, many built by Carabetta, but is still in need of additional units for those households with annual incomes of less than \$25,000. Equity in Housing's success with "limited equity" units is another alternative to ensuring affordability through the use of government funding for construction, as the Carabetta complexes were. Additionally, the City of Middletown offers Rehabilitation Loans, funded under the Community Development Block Grant Program, to property owners for the rehab of rental units occupied primarily by persons of low and moderate incomes. In this current fiscal year, 162 units will be rehabbed through this program. The MHP should support the continuation of this Program.

Home Ownership

The best vehicle(s) for providing affordable ownership opportunities to households who have incomes of \$25-\$45,000 annually would be through the use of innovative zoning and/or subsidized mortgages. The possibility of ownership, without creative mortgage financing for this income group is nearing extinction. The only subsidy would be in the mortgage, which the owner has to pay back. The only existing opportunities are with CHFA. There is no local vehicle which exists or, for that matter, no effort has been made to assist the City's first-time homeowners. An entity must be established to be committed to working with City officials and agencies, financial institutions and the private sector to begin an effort to make ownership possible for these "bankable" households--but crippled due to the cost of housing.

APPENDIX

I. Definition of Affordable Housing

Home ownership: A home which costs a household no more than 28% of its gross monthly income to pay the mortgage, taxes, insurance, utilities, and, condominium fee (as applicable).

Rental housing: A rental unit which costs a household no more than 30% of its gross monthly income to pay rent and utilities.

II. Average Household Size

In 1986, the average number of persons per household was:

In Middletown	2.43
In Midstate Region	2.57

III. Median Income by Household Size

As of March 30, 1988 the median income for a Middletown household of

2	was	\$32,200
3	was	\$36,200

IV. What is Affordable for a Household of Three (rounded-up from the average 1986 household size of 2.43)

Median Annual Gross Income	\$36,200
----------------------------	----------

Median Monthly Gross Income	\$ 3,017
-----------------------------	----------

Home/Condo

Maximum monthly income available (28% MGI) for payment of mortgage, taxes, insurance, utilities, and condo fee (as applicable).	\$ 844.76
---	-----------

Rental Unit

Maximum monthly income available (30% of MGI) for rent and utilities	\$ 905.10
--	-----------

8. Affordability

Once again using the same criteria in Sections I-IV, can a household of three afford to purchase a 2-bedroom home or condominium costing \$120,000?

Purchase Price	\$120,000
Minus (20%) down	- \$ 24,000
Amount mortgaged (10.5% for 30 years)	<hr/> \$ 96,000

Monthly Cost

Principal & Interest	\$ 884.24
Property Taxes	\$ 138.00
Property & Mortgage Insurance	\$ 25.00
Utility Allowance	\$ 65.00
<hr/>	
* Total Monthly Cost for a \$120,000 Home	\$ 1,112.24
<hr/>	
* For a Condominium add Condo Main Fee Allowance	\$ 80.00
<hr/>	
	\$ 1,192.24

Thus, the answer to the above question is NO

A household of three could only afford a monthly payment of \$844.76.

CHAS Table 1A

Housing Assistance Needs of
Low & Moderate Income HouseholdsU.S. Department of Housing and Urban Development
Office of Community Planning and Development

Comprehensive Housing Affordability Strategy (CHAS)

Name of Jurisdiction(s) or Consortium:

City of Middletown, Connecticut

Five Year Period:

FY: 1992 through FY: 1996

Mark one:

☒ Current Estimate as of: (enter date) 11/7/89
☐ Five-Year Projected Estimate as of: (enter date)

Mark one:

☒ All Households
☐ Racial/Ethnic Group Households: (specify) ¹

Household by Type, Income, & Housing Problems	Renters					Owners				
	Elderly 1 & 2 Member Households (A)	Small Related (2 to 4) (B)	Large Related (5 or more) (C)	All Other Households (D)	Total Renters (E)	Elderly 1 & 2 Member Households (F)	Small Related (2 to 4) (G)	Large Related (5 or more) (H)	All Other Households (I)	All Owners (J)
1. Very Low Income (0 to 50%)*	399	843	236	--	1,478					
2. With Housing Problems										
3. Physical Defects										
4. Overcrowded										
5. Cost Burden > 30%										
6. Cost Burden > 50%										
7. Other Low-Income (51 to 80%)*	114	508	120	--	742					
8. With Housing Problems										
9. Physical Defects										
10. Overcrowded										
11. Cost Burden > 30%										
12. Cost Burden > 50%										
13. Total Low-Income	513	1,351	356	--	2,220					
14. Moderate Income (81 to 95%)*										
15. With Housing Problems										
16. Physical Defects										
17. Overcrowded										
18. Cost Burden > 30%										
19. Cost Burden > 50%										
20. Middle Income Households (96 to 120%)*										
21. All Households										

¹ See Table 2A for listing of Racial/Ethnic Groups

* Or, if appropriate, based on HUD income limits with required statutory adjustments.

Source: Housing Assistance Plan dated 11/7/89

CHAS Table 1A

Housing Assistance Needs of
Low & Moderate Income HouseholdsU.S. Department of Housing and Urban Development
Office of Community Planning and Development

Comprehensive Housing Affordability Strategy (CHAS)

Name of Jurisdiction(s) or Consortium:

City of Middletown, Connecticut

Five Year Period:

FY: 1992 through FY: 1996

Mark one:

☒ Current Estimate as of: (enter date) 11/7/89
☐ Five-Year Projected Estimate as of: (enter date)

Mark one:

☐ All Households
☒ Racial/Ethnic Group Households: (specify) All Minority Groups

Household by Type, Income, & Housing Problems	Renters					Owners				
	Elderly 1 & 2 Member Households (A)	Small Related (2 to 4) (B)	Large Related (5 or more) (C)	All Other Households (D)	Total Renters (E)	Elderly 1 & 2 Member Households (F)	Small Related (2 to 4) (G)	Large Related (5 or more) (H)	All Other Households (I)	All Owners (J)
1. Very Low Income (0 to 50%)*										
2. With Housing Problems										
3. Physical Defects										
4. Overcrowded										
5. Cost Burden > 30%										
6. Cost Burden > 50%										
7. Other Low-Income (51 to 80%)*										
8. With Housing Problems										
9. Physical Defects										
10. Overcrowded										
11. Cost Burden > 30%										
12. Cost Burden > 50%										
13. Total Low-Income	132	349	92	--	573					
14. Moderate Income (81 to 95%)*										
15. With Housing Problems										
16. Physical Defects										
17. Overcrowded										
18. Cost Burden > 30%										
19. Cost Burden > 50%										
20. Middle Income Households (96 to 120%)*										
21. All Households										

* See Table 2A for listing of Racial/Ethnic Groups

* Or, if appropriate, based on HUD income limits with required statutory adjustments.

CHAS Table 1A

Housing Assistance Needs of
Low & Moderate Income HouseholdsU.S. Department of Housing and Urban Development
Office of Community Planning and Development

Comprehensive Housing Affordability Strategy (CHAS)

Name of Jurisdiction(s) or Consortium:

City of Middletown, Connecticut

Five Year Period:

FY: 1992 through FY: 1996

Mark one:

☒ Current Estimate as of: (enter date) 11/7/89☐ Five-Year Projected Estimate as of: (enter date)

Mark one:

☐ All Households☒ Racial/Ethnic Group: (specify) Black

Household by Type, Income, & Housing Problems	Renters					Owners				
	Elderly 1 & 2 Member Households (A)	Small Related (2 to 4) (B)	Large Related (5 or more) (C)	All Other Households (D)	Total Renters (E)	Elderly 1 & 2 Member Households (F)	Small Related (2 to 4) (G)	Large Related (5 or more) (H)	All Other Households (I)	All Owners (J)
1. Very Low Income (0 to 50%)*										
2. With Housing Problems										
3. Physical Defects										
4. Overcrowded										
5. Cost Burden > 30%										
6. Cost Burden > 50%										
7. Other Low-Income (51 to 80%)*										
8. With Housing Problems										
9. Physical Defects										
10. Overcrowded										
11. Cost Burden > 30%										
12. Cost Burden > 50%										
13. Total Low-Income	98	262	69	--	429					
14. Moderate Income (81 to 95%)*										
15. With Housing Problems										
16. Physical Defects										
17. Overcrowded										
18. Cost Burden > 30%										
19. Cost Burden > 50%										
20. Middle Income Hshlds. (96 to 120%)*										
21. All Households										

1. See Table 2A for listing of Racial/Ethnic Groups

* Or, if appropriate, based on HUD income limits with required statutory adjustments.

CHAS Table 1A

Housing Assistance Needs of Low & Moderate Income Households

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

Comprehensive Housing Affordability Strategy (CHAS)

Name of Jurisdiction(s) or Consortium:

City of Middletown, Connecticut

Five Year Period:

FY: 1992 through FY: 1996

Mark one:

☒ Current Estimate as of: (enter date) 11/7/89

☐ Five-Year Projected Estimate as of: (enter date)

Mark one:

☐ All Households

☒ Racial/Ethnic Group Households: (specify) Hispanic

Household by Type, Income, & Housing Problems	Renters						Owners			
	Elderly 1 & 2 Member Households (A)	Small Related (2 to 4) (B)	Large Related (5 or more) (C)	All Other Households (D)	Total Renters (E)	Elderly 1 & 2 Member Households (F)	Small Related (2 to 4) (G)	Large Related (5 or more) (H)	All Other Households (I)	All Owners (J)
1. Very Low Income (0 to 50%)*										
2. With Housing Problems										
3. Physical Defects										
4. Overcrowded										
5. Cost Burden > 30%										
6. Cost Burden > 50%										
7. Other Low-Income (51 to 80%)*										
8. With Housing Problems										
9. Physical Defects										
10. Overcrowded										
11. Cost Burden > 30%										
12. Cost Burden > 50%										
13. Total Low-Income	30	81	21	--	132					
14. Moderate Income (81 to 95%)*										
15. With Housing Problems										
16. Physical Defects										
17. Overcrowded										
18. Cost Burden > 30%										
19. Cost Burden > 50%										
20. Middle Income Households (96 to 120%)*										
21. All Households										

* See Table 2A for listing of Racial/Ethnic Groups

* Or, if appropriate, based on HUD income limits with required statutory adjustments.

CHAS Table 1A

Housing Assistance Needs of Low & Moderate Income Households

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

Comprehensive Housing Affordability Strategy (CHAS)

Name of Jurisdiction(s) or Consortium:

City of Middletown, Connecticut

Five Year Period:

FY: 1992 through FY: 1996

Mark one:

☒ Current Estimate as of: (enter date) 11/7/89
☐ Five-Year Projected Estimate as of: (enter date)

Mark one:

☐ All Households
☒ Racial/Ethnic Group Households: (specify) **Native American**

Household by Type, Income, & Housing Problems	Renters					Owners				
	Elderly 1 & 2 Member Households (A)	Small Related (2 to 4) (B)	Large Related (5 or more) (C)	All Other Households (D)	Total Renters (E)	Elderly 1 & 2 Member Households (F)	Small Related (2 to 4) (G)	Large Related (5 or more) (H)	All Other Households (I)	All Owners (J)
1. Very Low Income (0 to 50%)*										
2. With Housing Problems										
3. Physical Defects										
4. Overcrowded										
5. Cost Burden > 30%										
6. Cost Burden > 50%										
7. Other Low-Income (51 to 80%)*										
8. With Housing Problems										
9. Physical Defects										
10. Overcrowded										
11. Cost Burden > 30%										
12. Cost Burden > 50%										
13. Total Low-Income	0	1	0	--	1					
14. Moderate Income (81 to 95%)*										
15. With Housing Problems										
16. Physical Defects										
17. Overcrowded										
18. Cost Burden > 30%										
19. Cost Burden > 50%										
20. Middle Income Households (96 to 120%)*										
21. All Households										

* See Table 2A for listing of Racial/Ethnic Groups

* Or, if appropriate, based on HUD income limits with required statutory adjustments.

CHAS Table 1A

Housing Assistance Needs of Low & Moderate Income Households

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

Comprehensive Housing Affordability Strategy (CHAS)

Name of Jurisdiction(s) or Consortium:

City of Middletown, Connecticut

Five Year Period:

FY: 1992 through FY: 1996

Mark one:

☒ Current Estimate as of: (enter date) 11/7/89
☐ Five-Year Projected Estimate as of: (enter date)

Mark one:

☐ All Households
☒ Racial/Ethnic Group Households: (specify) Asian and Pacific Islanders

Household by Type, Income, & Housing Problems	Renters						Owners			
	Elderly 1 & 2 Member Households (A)	Small Related (2 to 4) (B)	Large Related (5 or more) (C)	All Other Households (D)	Total Renters (E)	Elderly 1 & 2 Member Households (F)	Small Related (2 to 4) (G)	Large Related (5 or more) (H)	All Other Households (I)	All Owners (J)
1. Very Low Income (0 to 50%)*										
2. With Housing Problems										
3. Physical Defects										
4. Overcrowded										
5. Cost Burden > 30%										
6. Cost Burden > 50%										
7. Other Low-Income (51 to 80%)*										
8. With Housing Problems										
9. Physical Defects										
10. Overcrowded										
11. Cost Burden > 30%										
12. Cost Burden > 50%										
13. Total Low-Income	2	7	2	--	11					
14. Moderate Income (81 to 95%)*										
15. With Housing Problems										
16. Physical Defects										
17. Overcrowded										
18. Cost Burden > 30%										
19. Cost Burden > 50%										
20. Middle Income Households (96 to 120%)*										
21. All Households										

1. See Table 2A for listing of Racial/Ethnic Groups

* Or, if appropriate, based on HUD income limits with required statutory adjustments.

CHAS Table 1B (Optional)

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

Other Special Needs Population

Comprehensive Housing Affordability Strategy (CHAS)

Name of Jurisdiction(s) or Consortium:

City of Middletown, Connecticut

Five Year Period: (enter fiscal yrs.)

FY:

through FY:

1992

1996

Category	Households			
	Persons with Disabilities (A)	Elderly with Special Needs (B)	Persons with AIDS (C)	Participants in Economic Independence and Self Sufficiency Programs (D)
1. Number of Households				
2. Supportive Housing Need				
3. Service Needs				
4. Supportive Service Need Identified in FSS Plan				

"Table not required by HUD, fiscal year 1992 submitted in Blank".

SECTION 6

MARKET AND INVENTORY CONDITIONS

COMMUNITY PROFILE

MARKET AND INVENTORY CONDITIONS

The City's 1990 population was 42,762, an increase of 3,722 since 1980. In 1980 the percentage of white, non-Hispanic population to the total population was 88.5%. That percentage decreased to 85.4% in 1990. Between the years 1980 and 1990, the City's Black population increased from 3,715 to 4,747; raising the percentage of Black residents from 9.5% to 11.1%. Hispanics increased from 1,028 or 2.6% of the total population to 1,413 or 3.3% of the City's population.

By far, the greatest population gains were made by Asian and Pacific Islanders. While the smallest minority group within the City's population, Asian and Pacific Islanders increased from 219 individuals to 826 individuals by 1990, a percentage increase of 277%.

Between 1980 and 1990, whites increased by 6%, while Blacks increased by 28% and Hispanics by 37%.

The City of Middletown does not yet have, at its disposal, the population breakdown for 1990 by Census Tract or neighborhood. However, on the following pages, such data is shown for 1980 which is believed to be fairly consistent with the 1990 City's minority settlement patterns. According to the State of Connecticut CHAS: "the City of Middletown contains 78.7 percent of the region's minorities. 16.3 percent of the City of Middletown's population consists of minorities."

Because of its various institutions, Middletown maintains a significant number of persons residing in group quarters. The major such facilities include Wesleyan University, Connecticut Valley Hospital (CVH) and Long Lane School.

Both CVH and Long Lane School are State institutions the - former for mental patients while the latter is for troubled youth. Group quarter population increased from 2,958 in 1980 to 3,860 in 1990, representing an increase of 30%. During the 1980's there was a significant growth in the number of group homes sponsored by State and/or local social service agencies.

CITY TABLE "E"

MINORITY PERSONS AND LOW/MODERATE INCOME PERSONS BY CENSUS TRACT - 1980

Census Tract (Neighborhood)	Total Population	White Population	Non-White Population	% Non-White	% Low/ Mod. Income
5411 (North End)	2644	2526	118	4.5%	59.7%
5412 (Newfield)	4225	3885	340	8.1%	41.2%
5413 (Westlake)	2849	2487	362	12.7%	28.7%
5414 (Westfield)	5966	5597	369	6.2%	39.8%
5415 (Wesleyan)	2611	2416	195	7.5%	72.8%
5416 (CBD)	2834	2341	493	17.4%	80.4%
5417 (South End)	2325	1577	748	32.2%	53.4%
5418 (CVH)	814	637	177	21.7%	43.1%
5419 (Randolph Rd South/Maromas)	5429	4548	881	16.2%	43.6%
5420 (South Farms)	4447	4155	292	6.6%	43.0%
5421 (Long Hill North)	3539	2988	551	15.6%	51.8%
5422 (Long Hill South)	<u>1357</u>	<u>1268</u>	<u>89</u>	<u>6.6%</u>	<u>25.7%</u>
Total	39,040	34,425	4,615	11.8%	---

Source: 1980 Census/Municipal Development Office

An analysis of City Table "E" entitled "Minority Persons and Low/Moderate Income Persons by Census Tract - 1980" indicates that larger non-minority populations were recorded in: Census Tract 5416 - the Central Business District; 5417 - South End; 5419 - south of Randolph Road including Long River Village; and, 5421 - an area west of Wesleyan University where several State moderate income projects are located. The table also shows that Census Tract 5418 has a high percentage of minority populations; however, 5418 is the Connecticut Valley Hospital and, therefore, is not representative of the community as a whole. The figures from 1980 generally reflect the location of public housing projects as administered by the Middletown Housing Authority.

From the State of Connecticut CHAS, the following information was developed concerning median income: "The Middletown PMSA has a median family income of \$47,300 according to HUD's Fiscal Year 1991 estimates. According to DOH estimated town incomes for 1991, Midstate communities have medium incomes ranging from \$43,555 in Middletown to \$51,867 in Cromwell. 54 percent of the low and very low income households of the region are concentrated in the City of Middletown."

Concerning the balance between owner occupied and renter occupied units in the City of Middletown, the State CHAS notes the following: "The 1990 Census reports a total of 40,087 housing units in the region, an increase of 21.6 percent since 1980. 36,795 (91.8 percent) of these units are occupied. There are 26,390 single-family units and 13,026 multi-family units. There are 24,582 (66.8 percent) owner-occupied units and 12,213 renter-occupied units. The City of Middletown contains 67.8 percent of the region's renter occupied units." City Table "F" entitled "Owner/Renter by Race - 1980 and 1990" indicates that in 1980 49.1% of all units in the City of Middletown were

owner-occupied. Conversely, 50.9% were renter occupied. This balance was reversed by 1990 so that 50.7% were owner occupied and 49.3% renter occupied. By racial group in 1990, 53.7% of units occupied by white non-Hispanics were owner occupied, while only 28.6% of all Black/non-Hispanic occupied units were owner occupied and 29.4% of Hispanic units were owner-occupied. Other races owned 35.5% of their occupied units. It should be noted that all of these percentages increased in the ten year period 1980 to 1990.

CITY TABLE "F"
OWNER/RENTER BY RACE - 1980 and 1990

	<u>1980</u>	<u>1990</u>
<u>Middletown</u>		
Total # Occ. Units	14,130	16,821
Owner Occ.	6,933 (49.1%)	8,535 (50.7%)
Renter Occ.	7,197 (50.9%)	8,286 (49.3%)
<u>White/Non-Hispanic</u>		
Total # Occ. Units	12,633	14,739
Owner Occ.	6,554 (51.9%)	7,920 (53.7%)
Renter Occ.	6,079 (48.1%)	6,819 (46.3%)
<u>Black/Non-Hispanic</u>		
Total # Occ. Units	1,102	1,463
Owner Occ.	280 (25.4%)	419 (28.6%)
Renter Occ.	822 (74.6%)	1,044 (71.4%)
<u>Hispanic</u>		
Total # Occ. Units	268	385
Owner Occ.	59 (22.0%)	113 (29.4%)
Renter Occ.	209 (78.0%)	272 (70.6%)
<u>Other Non-Hispanic</u>		
Total # Occ. Units	127	234
Owner Occ.	40 (31.5%)	83 (35.5%)
Renter Occ.	87 (68.5%)	151 (64.5%)

Source: 1980 & 1990 Census

Again, using information from the State CHAS concerning the value of housing: "The median value of a owner occupied unit spans from \$157,000 in Middletown to \$193,800 in Haddam. In determining housing affordability, it is necessary to compare costs with income. For the purpose of this report housing affordability will be defined as follows, affordable housing sales should be 2.5 times income; affordable rental costs should be 30 percent or less of gross income." Thus, if the City of Middletown shows a median family income of \$43,555, the maximum monthly shelter cost should be \$871.00 for a family earning 80% of the median income. For a family at 50% of the median income, the corresponding maximum monthly shelter cost is \$544.00.

Following is City Table "G" entitled "Real Estate Transactions - Middletown" as taken from the Commercial Record each six months from January 1989 through January 1992.

CITY TABLE "G"
REAL ESTATE TRANSACTIONS - MIDDLETOWN

	# Transactions	Median Price
January '89	46	\$122,900
July '89	46	\$127,000
January '90	38	\$125,000
July '90	47	\$124,000
January '91	31	\$132,900
July '91	50	\$132,000
January '92	36	\$121,500

Source: Commercial Record

This table indicates the number of real estate transactions which occurred in each of the reported months and the median value of those transactions. The

median price reflects not only detached single-family houses but also condominium units. Hence, it is shown that following the real estate boom years of the late 1980's, prices did slip somewhat as reflected in the value of real estate transactions and except for a "blip" in early 1991. Thus, the value of housing sales for both single-family attached and detached houses has hovered in the low \$120,000 range.

As an appendix to Section 6, is the complete text to a report entitled "Middletown Housing Partnership - Subcommittee on Housing Needs" as prepared in April 1989. This report deals with the affordability of owner occupied and renter-occupied units and offers scenarios on the affordability of a variety of housing units.

Again, from the State CHAS, the following concerning homelessness: "Homelessness is a growing problem in the Midstate Region. However, accurate estimates of the number of homeless are unavailable. It is apparent that a definite study of the homeless needs to be conducted in order to identify the needs and the magnitude of housing problems confronting this segment of the population. There are currently 309 beds in the region, all of which are located within the City of Middletown".

Recent changes to Connecticut's General Assistance laws threaten to increase the number of homeless persons throughout the State. GA benefits have been switched from a needs based grant to a flat grant which expires after nine (9) months into the fiscal year. Coupled with an average loss of \$100 per month recipients, during the 1992-1993 fiscal year., will lose their benefits beginning April 1, 1993 unless municipalities choose to make up the difference. The result could mean a greater need for homeless shelter facilities.

A breakdown of the location and number of beds available in emergency shelters and transitional housing is as follows:

Emergency Shelters

- . Eddy Home at CVH - 30 beds, 14 cots
- . American Red Cross Housing - Daddario Road - 7 family units (now doubled up to 14 families)
- . Community Health Center Battered Women's Shelter - 2 family units (10 beds)

Transitional Housing

- . Green Court on Green Street - 14 family units (60 beds)
- . Rushford Center on Silver Street - 45 beds plus 8 Apartments
- . Shepherd Home at Connecticut Valley Hospital - 72 rooms
- . YMCA on Crescent Street - 34 beds
- . Connection's Women & Children's Center on Eastern Drive - 15 beds
- . Gilead House - various locations - 23 beds in half way homes plus 47 beds in 22 shared apartments
- . YMCA on Crescent Street - Youth Shelter - 11 beds
- . Community Health Center Battered Women's Shelter - 14 beds

A potential problem for City of Middletown residents is the possible conversion of subsidized housing which could be utilized by the developers of HUD 221(d)(3) and 236(j) mortgage programs. Under these programs, developers receive 40 year mortgages which can be repaid after twenty (20) years. The City of Middletown has large numbers of units constructed by Carabetta Enterprises, some of which have reached the twenty (20) year maturity. According to the State CHAS, "By the mid-1990's more than 1,200 units, more than one-third of the region's total subsidized housing stock, will be eligible for prepayment. With little or no new subsidized housing to take its place, the potential impact on the region's affordable housing stock would be tremendous."

Within the City of Middletown, a soup kitchen operated by St. Vincent dePaul, a ministry of the Norwich Diocese, is located at 615 Main Street. Its presence, over the past decade, has been a source of controversy despite providing meals for not only residents of North End SRO's, but also for the less fortunate throughout the entire City of Middletown and region.

The City's Planning & Zoning Department prepared a report entitled "Guiding the Future: A Plan of Development for the Year 2000". This report, prepared in 1991, utilized some of the prior reports on housing, as developed by the Middletown Housing Partnership, and identified various implications and recommendations. The following implications concerning the lack of affordability in housing in Middletown were observed by the Planning & Zoning staff.

"The implications of this lack of affordability in Middletown are many and include:

- 1) The City and the City's employers will need to raise salaries of employees to attract and retain qualified workers who cannot afford to live in Middletown or the region.
- 2) There will be a decline in the number of residents with moderate incomes and a relative increase in the numbers of individuals at the low and high ends of the income spectrum.
- 3) The City will lose its diversified population consisting of both blue and white collar workers of various income groups.
- 4) Children of City residents, particularly those without the benefit of a college education, will be unable to live in the City in which they grew up, and the social network of long time residents will erode.

- 5) Businesses in the lower paying sectors, retail and low end service, will find it increasingly difficult to attract acceptable employees.
- 6) Formally, untapped labor pools, such as the elderly, handicapped and retarded, will be drawn from as the labor shortage intensifies."

As a result of these implications, P&Z staff developed a number of recommendations for dealing with the housing situation. Those recommendations are as follows:

"Middletown has already done much to encourage the provision of moderate income and assisted housing. The production of moderate income and assisted housing requires creativity, innovation and new thinking.

First and foremost, the City should refer to the recommendations set forth in the Middletown Housing Partnership Report of May 1989.

The following are a few techniques the City should adopt.

- 1) Develop a strong public and private sector partnership. This has largely been accomplished with the creation of the Middletown Housing Partnership. In addition, the private sector, with public sector support, should be encouraged to provide moderate income housing within market rate developments.
- 2) The City should target firms that have large workforces and, therefore, must take some responsibility for the supply/demand imbalance in the moderate income housing market.
- 3) In order to foster a pride in ownership, the City should consider the rehabilitation, possibly through sweat equity and privatization, of some of the existing assisted housing units.
- 4) The Planning & Zoning Commission should consider amending its regulations to provide for the provisions as allowed for in Public Act 338. This act allows for a Planning & Zoning Commission to have, as special exception use, a use which is exempt from density

limits. In granting this special exception, the Planning & Zoning Commission, working with the Housing Partnership, can require that for each unit constructed in excess of the number permitted by applicable density limits, the number permitted by applicable density limits, the developer construct, either off site or on site, a unit of moderate income housing. In lieu of the provisions of affordable units, the developer may be required to make payments.

- 5) The Planning & Zoning Commission should encourage the use of the infill provision allowing for carefully designed subdivisions with lots as small as 5,000 square feet in the R-1 and RPZ zones so as to encourage the production of starter homes.
- 6) Encourage the Housing Partnership to provide for a downpayment assistance program.
- 7) The City should establish a Housing Trust Fund. Money deposited into this fund will come from many sources including payments in lieu of moderate income housing construction, proceeds from sales of City owned affordable units, State Department of Housing grants, and private sector donations. These private sector donations, encouraged by tax credits, which will represent a major source to the fund, will also generate matching dollars from the Department of Housing. Once established, the fund could be used in many different ways to create moderate income and assisted housing.

Three options are as follows:

- a) Create a subsidy program that lowers the cost of a house to an amount that is affordable for target income groups. This subsidy could be used for land purchase and write downs, the lowering of interest rates, grants or mortgage purposes.

b) A land purchase program in which the Housing Partnership buys developable land, reduces the price and sells or leases lots to individuals. The Housing Partnership may also act as a developer, with assistance available from the Department of Housing to develop the land itself. The Housing Partnership would then sell these homes as affordable units to the target income groups. These units, while being inititally affordable, would also need deed restrictions to insure that they remain affordable.

c). The Housing Partnership may also enter into the real estate market, purchasing existing properties and then selling them at an affordable price to those in need of moderate income and assisted housing. It is essential that the deeds on these homes be restricted to insure that they will remain affordable.

Overall Housing Recommendations

- 1) Avoid zone changes allowing for significant increases in residential density which would over burden the capacity of the City's infrastructure and which would increase the ultimate population beyond the target population of 65,000.
- 2) The Housing Partnership and private developers should be encouraged to provide moderate income and assisted housing in a manner as discussed in the affordability section of the Housing Plan.
- 3) Adopt regulations which will lead to the gradual revitalization of older, problem neighborhoods by the private sector.
- 4) Address the problems in existing neighborhoods which tend to be losing vitality.
- 5) Consider the fiscal impact, in terms of city services, of large residential special exceptions prior to their approval.

Population and Minority Data

Comprehensive Housing Affordability Strategy (CHAS)

Name of Jurisdiction(s) or Consortium:

Five Year Period: (enter fiscal yrs.)

FY:

through FY:

City of Middletown, Connecticut

1992

1996

Category	1980 Census Data (A)	1990 Census Data or Current Estimate (B)
1. Total Population	39,040	42,762
2. White (Non-Hispanic)	34,560	36,533
3. Black (Non-Hispanic)	3,715	4,747
4. Hispanic (All races)	1,028	1,413
5. Native American	89	74
6. Asian and Pacific Islanders	219	826
7. Group Quarters	2,958	3,860
8. Institutional	1,674	1,429
9. Non-Institutional	1,284	2,431
10. Household Population	36,082	38,902

CHAS Table 2B

U.S. Department of Housing and Urban Development
Office of Community Planning and DevelopmentMarket and Inventory Conditions
Housing Stock Inventory

Comprehensive Housing Affordability Strategy (CHAS)

Name of Jurisdiction(s) or Consortium:

City of Middletown, Connecticut

Five Year Period: (enter fiscal yrs.)

FY: 1992 through FY: 1996

Check one:

☐ 19__ Census☒ Current Estimate as of: (enter date)

11/7/89

Category	Total (A)	0 or 1 bedrooms (B)	2 bedrooms (C)	3 or more bedrooms (D)
1. Total Year-Round Housing				
2. Total Occupied Units	18,521			
3. Renter Occupied Units	8,362			
4. Needing Rehab	1,866			
5. Not Rehabbable				
6. Owner Occupied Units	10,159			
7. Needing Rehab	1,933			
8. Not Rehabbable	---			
9. Total Vacant Units	263			
10. For Rent	119			
11. Needing Rehab	20			
12. Not Rehabbable	---			
13. For Sale	144			
14. Needing Rehab	20			
15. Not Rehabbable	---			
16. Awaiting Occupancy or Held				
17. Other				

Source: Housing Assistance Plan dated 11/7/89

CHAS Table 2C

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

Assisted Housing Inventory

Comprehensive Housing Affordability Strategy (CHAS)

Name of Jurisdiction(s) or Consortium:

City of Middletown, Connecticut

Five Year Period: (enter fiscal yrs.)

FY: 1992 through FY: 1996

Current Estimate as of: (enter date)

Category	Total Stock and Inventory				
	Total (A)	SRO (B)	0 or 1 bedrooms (C)	2 bedrooms (D)	3 or more bedrooms (E)
1. Project Based Tenant Assistance					
2. Public Housing					
3. Section 202					
4. Section 8					
5. Other HUD					
6. FmHA					
7. Tenant Based Tenant Assistance					
8. Section 8					
9. Other State/Local					
10. Homeowner Assistance					

"TABLE NOT REQUIRED BY HUD, FISCAL YEAR 1992. SUBMITTED IN BLANK".

SECTION 7

FIVE YEAR STRATEGY

FIVE YEAR STRATEGY

I. GOAL: IMPLEMENT THE NORTH END URBAN RENEWAL PROGRAM

In mid-1990, the Middletown Redevelopment Agency received a report from its consultants, DeCarlo & Doll, outlining the steps to be taken in creating an Urban Renewal Project for the North End. Prior to formal adoption of a renewal project, however, the Common Council requested the plan be revised and updated to be all-encompassing, thus giving the Middletown Redevelopment Agency and the Common Council all the powers necessary to carry out all facets of that report. This is a key step in implementing the various programs which will, in part, provide affordable housing opportunities within the North End.

Presently, staffs of the Municipal Development Office and the Planning & Zoning Department are reviewing proposed land use and zoning regulations to build a consensus between those two departments and their respective commissions concerning policies for the North End. It is anticipated that formal adoption by the Common Council will occur in September, 1992. The Urban Renewal Plan, when completed, will incorporate acquisition, relocation and disposition recommendations so that the City may take those measures to eliminate blighting influences in the North End. Recognizing that some of these properties are residential, the relocation plan will identify adequate relocation resources for those who are resident within properties targeted for acquisition. major structures house SRO's which have numerous code violations making them ideal for acquisition, land consolidation and potential reuse, including new affordable housing sites..

With the intent of creating a North End Urban Renewal Area, the City, in early 1990, applied to the Connecticut Department of Housing, pursuant to Section 8/376-381 of the Connecticut General Statutes, for Housing Development Zone designation. According to State law, three housing development zones are authorized in the State of Connecticut. Middletown and Waterbury were the only two communities to seek such designation. While Waterbury has already received its designation, Middletown awaits its. In anticipation of that designation, the Common Council adopted an ordinance, as required by State Statute, which will provide tax abatement over an eleven (11) year period for the value of rehabilitation activities. This is a further policy incentive by the City of Middletown to encourage rehabilitation activities within the project area. An encouragement for Housing Development Zone allows a municipality to receive priority consideration for all State funded housing activities within that geographic area.

It is with the intent of securing Housing Development Zone designation that the City of Middletown is optimistic in securing funds to implement a variety of affordable housing programs within the North End.

Nehemiah Housing Corporation

Presently Nehemiah Housing Corporation manages 14 units of transitional housing with 60 beds at the foot of Green Street. In the past year, Nehemiah also opened a four unit Sweat Equity Limited Coop of 8 beds near the foot of Ferry Street. Nehemiah projects 12 additional units of Sweat Equity Limited Coop within the first year of the CHAS and, over a five year period, seeks to develop a total of 60 units of cooperative housing. Nehemiah's track record and concept is to develop housing opportunities

for first time homebuyers within the North End neighborhood by acquiring, on the open market, multi-family buildings in need of rehabilitation. Nehemiah has demonstrated its ability to effectively provide housing and, further, has demonstrated its abilities to secure financial resources from the State of Connecticut. Begun as a housing arm of the Community Health Center, Nehemiah's strength is its commitment to affordable housing production. Its Board of Directors represents a wide range of housing interests and its focus, thus far, has been in the North End, making it an effective voice for housing opportunities.

In terms of priority consideration, the Nehemiah Cooperative Homeownership Program is a Priority I endeavor.

Moderate Income/Low Interest Loan Program

In 1990, the City of Middletown filed with the Connecticut Department of Housing an application under the Housing & Community Development Program for \$492,000 for a variety of programs within the projected boundary of the North End Urban Renewal Area. Of those funds, \$378,255 State dollars will be matched with \$204,258 privately raised funds for a total rehabilitation program in excess of \$580,000, including administrative fees. These rehab dollars are primarily to benefit those of moderate income (81% to 100% of median) which heretofore have been largely ineligible to receive CDBG Rehabilitation or Rental Rehabilitation funds.

Additional programs funded under the DOH Housing & Community Development Program include: street side and curb improvements for Green Street - \$110,000; playground improvements at Green Street/deKoven Drive - \$25,700; and, solid waste consolidation and landscaping - \$35,000. The rehabilitation effort is administered by the Greater Middletown Community

Corporation, a non-profit engaged in housing activities. GMCC has administered the various rehabilitation programs in the City of Middletown since 1976. The remaining programs under the DOH grant are being administered through the Municipal Development Office.

Over the two year implementation period, a total of 56 units of housing will be rehabilitated under this program. In terms of importance, this rehab is a priority 2 program.

Rental Rehabilitation and Residential Rehabilitation Programs

As noted above, the Greater Middletown Community Corporation administers all the rehabilitation programs funded from State and HUD sources. Although City-wide in nature, the City and GMCC's policies have targeted the North End as a high priority rehabilitation area. This stems from studies done in 1964 which identified the North End as the second level renewal potential area (the first priority renewal area became the Metro South Urban Renewal Project spanning the late 1960's through the mid-1980's). For small families, Priority 1; for large families, Priority 2.

Design Review/Special Services District

Among the recommendations included for adoption in the Urban Renewal Plan are the creation of Design Review Guidelines and the creation of a Special Services District in the downtown.

Through Design Review Guidelines, the City will be able to develop property rehabilitation standards which will respect the downtown's existing architecture; and, serve as general principals for renovation success. The implementation of design review guidelines will strengthen the architectural integrity of the North End, will create store fronts

along Main Street that add interest, activity and comfort to the street environment and will emphasize the compatibility of early 19th Century design materials and colors. It should be noted that the Main Street frontage is already listed within a National Register Historic District. During the next five year period, it is possible that the area between Main Street and deKoven Drive, including Rapallo Avenue, Green Street and Ferry Street will also be considered for inclusion on the National Register of Historic Places.

The creation of Special Services District, under the provisions of Chapter 105a of the Connecticut General Statutes, will facilitate the public coordination and public/private partnership and the delivery of social services as well as coordination between the implementation of related social and physical improvement measures. While the Urban Renewal Plan deals solely with the North End, the Special Services District is an applicable concept throughout the Central Business District. It is a method of delivering special services to coordinate housing initiatives, social programs, commercial revitalization and mixed use development and provide an agency responsible for measured programs. The issue of the Special Services District will be undertaken during the next five year period.

II. GOAL: PROVIDE HOMEOWNERSHIP OPPORTUNITIES FOR FIRST TIME HOME BUYERS OF LOW AND MODERATE INCOME HOUSING

Military Road Housing

The Middletown Housing Partnership Trust has been created as a vehicle to deliver housing which has been offered to the community by the U.S. Army as excess property.

This is a first priority project which will ensure, for the City of Middletown, project designation under the Housing Partnership Program to make Middletown eligible to receive a 25% bonus in Town Aid Road Funds. The program has been beset by numerous setbacks, largely bureaucratic in nature, requiring Congressional intervention. The 16 units on Military Road will be offered to first time home buyers with children, according to a lottery system. Funding for this initiative is being provided by DOH through its Housing Land Bank/Land Trust Program in the amount of \$483,597, CHFA setasides of \$800,000, and CDBG funds in the amount of \$125,000 for closing costs and deferred second mortgages. From that \$125,000, there will also be a loan of \$40,000 for rehabilitation activities to the program. All the properties contain three bedroom homes. It is anticipated that 8 large families and 8 small families will occupy those structures. All the families are considered low income, that is, between 51% and 80% of median.

Once the first 16 buildings have been conveyed to new owners, the Housing Partnership Trust will look at providing two additional units on the land where an opportunity for new construction exists at its northern end. Hence, in the five year period, there will be a total of 18 single family detached homes offered for first time homeowners with children.

The Middletown Housing Partnership Trust is made up of members of the Middletown Housing Partnership and, hence, enjoys close cooperation with the City leaders. This may be the vehicle for other similar housing developments. For the future, a parcel of land exists south of Bow Lane near the Connecticut Valley Hospital which is owned by the State of Connecticut. It is excess land from the Route 9 construction of the

1950's and 1960's. This, if combined, with a private parcel and other City land would provide nearly 10 acres which could similarly be developed for new housing opportunities for first time home buyers. These activities by the Middletown Housing Partnership Trust are Priority 1 programs and could be funded through H.O.M.E.

Long Lane Housing

In 1991, the Connecticut Department of Children and Youth Services made available 9.2 acres of land on Long Lane for developer interest. In agreement with DOH, the City of Middletown issued an RFP and received five expressions of developer interest. After tentatively selecting GMCC as the developer for these units, DOH determined that such designation was premature and decided to review its own policies and procedures for seeking developer interest on excess State land. The City anticipates that this problem will be resolved during the first year of the CHAS and, further, this Priority 1 program will be implemented to provide 15 units of single family detached houses for those of 51% to 80% of median income. To facilitate that endeavor, the Common Council has authorized \$54,000 of CDEG funds for utility extensions to the project area. According to GMCC, in excess of \$1.7 Million Dollars will be required to construct these units. To that end, letters of intent have been received by CHIF and the Federal Home Loan Bank of Boston. Funding from H.O.M.E. will also be sought.

GMCC and Forest City Affordable Housing Corp. are the primary entities of interest in the Long Lane project. Both have a long range vision in providing first-time homeowner opportunities. GMCC projects 100 units

over a five (5) year period while Forest City's goals are 40 to 50 units over the five year span.

Equity in Housing

Equity in Housing, Inc. has, for more than a decade, been a provider of cooperative housing opportunities wherein the owners can gain limited equity. Equity in Housing's achievement, over the years, has resulted in 32 units of housing in multi-family settings throughout the City of Middletown. During the first year of CHAS, Equity in Housing has established a goal of four additional units of housing which will require \$100,000 of funding from CDBG and \$150,000 from CHFA (or H.O.M.E.). For the entire five year period, Equity in Housing desires to produce four units per year or a total of 20 units utilizing CDBG assistance. An additional twenty (20) units will be pursued using other funds. Thus, the total housing goal for the five year period is forty (40) units. Because this Agency provides first time ownership opportunities for persons of very low income, this is a Priority 1 project. The staff for the Equity in Housing is provided by Connecticut Legal Services. The owners of units have formed their own Board and manage their own affairs.

III. GOAL: PRESERVE AND IMPROVE EXISTING HOUSING STOCK THROUGH REHABILITATION PROGRAMS

Rental Rehabilitation Program

At the June, 1992 Common Council meeting, an additional \$67,500 was accepted by the City of Middletown from recaptured funds under the Rental Rehabilitation Program. This, together, with uncommitted funds will provide \$98,000 to improve 14 units during the next fiscal year. This is a 50/50 match; hence, \$98,000 must be raised from the private sector by

the applicants. Once this money is expended, the program will terminate due to its closure by Congress and HUD. For small families, this is a Priority 1 project; for larger families, Priority 2.

Residential Rehabilitation Program

Since 1976, this has been the "flagship" program of Middletown's CDBG efforts. Now, largely self-sufficient through the Revolving Fund, the program will utilize \$200,000 during the first year of the CHAS to improve 21 units. Over the five year period, an estimated \$1.0 Million Dollars will be expended to provide rehabilitation assistance to 103 units. This program is available throughout the City; however, targeting has favored the City's North End and South Farms since 1976. The program has been administered by the Greater Middletown Community Corporation since its initiation. For smaller families, it is a Priority 1 program; for larger families, a Priority 2; and, for all other households, Priority 3.

IV. GOAL: PUBLIC HOUSING

Expansion of Marino Manor

Using past CDBG funds, the former Long Hill School site was demolished to make ready for an expansion of Marino Manor, an elderly housing complex of 40 units of single story housing. Most buildings are duplexes. In 1991, the City of Middletown entertained developer interest to provide ten (10) units of housing on the former Long Hill School site. Affordable Housing Ventures, Inc. of Hartford was the selected developer. In working with the Middletown Housing Authority, the developer will now turnkey eighteen (18) units of housing - ten (10) on the Long Hill School

site and eight (8) on the western end of the project site, already owned by the Middletown Housing Authority. The resources necessary to construct these units will come from the CT Department of Housing's Rental Homes for the Elderly Program in the amount of \$1.3 million. These units will be provided for very low income elderly tenants. The Housing Authority reports a greater waiting list for the Marino Manor project than for its other elderly project, the Sbona Towers 126 unit high-rise in the downtown.

Long River Village

The Middletown Housing Authority plans to replace Long River Village, a very low income housing project of 190 units. Plans call for the securing of 100 HUD Section 8 Certificates or Vouchers for those who will be moving from the site. There will be a phased construction of 90 new units on-site. The total resources necessary from HUD have yet to be determined and the project timing has not been identified, except it is planned for the next five year period.

V. GOAL: MAINTAIN SUFFICIENT LEVEL OF EMERGENCY AND TRANSITIONAL HOUSING

Shepherd Home

Opened in 1988, Shepherd Home is a transitional living facility of 72 units on the grounds of the Connecticut Valley Hospital. The property is leased by the City of Middletown from the State of Connecticut and managed by the Mercy Housing and Home Corporation. The first five (5) year cycle of McKinney funds will be expiring in 1993; hence, application must be made to HUD in late 1992 for \$750,000 (\$150,000 per year for a five year period) for management services. Shepherd Home receives

referrals of residents from numerous agencies throughout Central Connecticut. By home town, nearly half of those who pass through Shepherd Home's doors have been from Middletown. Because of the role Shepherd Home plays in moving people out of emergency situations into the main stream community, the continuation of services necessary for Shepherd Home is a priority activity.

Gilead House, Inc.

Gilead House serves, principally, persons with mental illnesses. The Agency deals with very low income clients, basically those without any resources. Gilead House has a variety of facilities made up of half-way houses and shared apartments throughout the City of Middletown. The various settings total 70 beds.

For the next year, Gilead House anticipates the securing of rental assistance for three (3) units totalling six beds in shared apartments. The resources necessary for this come, for the most part, from the Connecticut Department of Mental Health. At a cost of \$3,120 per person, the annual resources necessary for six individuals is \$18,720. Over the next five year period, Gilead projects a total need of 30 beds in fifteen (15) units, again, using the resources of the CT Department of Mental Health. Priority 1.

VI. GOAL: MAINTAIN SUFFICIENT NUMBER OF RENTAL ASSISTANCE UNITS THROUGHOUT THE CITY

Self Sufficiency

The Middletown Housing Authority has submitted an application to HUD for thirty-five (35) units of Section 8 Self-Sufficiency. All units are

targeted for those below 50% of median income. During the first year, the Housing Authority anticipates assisting twenty-seven (27) small families and eight (8) large families. Over the five (5) year period, the Middletown Housing Authority anticipates an additional ninety (90) units of self-sufficiency housing. Priority 1.

Section 8 Certificates/Vouchers

The Middletown Housing Authority is the Agency coordinating all existing Section 8 certificates and vouchers. In the first year of the CHAS, twenty-five (25) additional units will be sought from HUD. Over the five (5) year period, a total of 125 certificates/vouchers will be requested at a rate of 25 units per year. In addition, the projected closure of Long River Village will cause a need to provide rental assistance for 100 more households who will be moving from the site. Hence, the Housing Authority will be requesting a total, over the five year period, of 225 Section 8 Certificates and Vouchers. Priority 2.

Shelter Plus Care

The Connection, Inc., in the past two years, emerged as a major provider of assistance for persons with special needs. Connection House is a facility of 15 beds for substance abusers with a treatment period of up to six months. The Women and Children's Center on Eastern Drive has 15 beds for pregnant women who suffer from substance abuse. The average length of stay is from six months to one year.

Eddy Home, the homeless shelter on the grounds of the Connecticut Valley Hospital, is a 30 bed facility also administered by Connection.

Recently, Connection filed an application for \$794,000 under the Shelter Plus Care Program. This, if awarded, will provide, over a five year period, rental housing assistance for very low income persons with a variety of specialized needs. The Connection anticipates helping those as follows: 10 persons with mental problems; 10 persons with substance abuse problems; 2 persons affected with AIDS; and 8 persons with a combination of mental and substance abuse problems for a total of 30 individuals. To support this endeavor, five social service agencies have agreed to provide in-kind services to the recipients of rental assistance. Those organizations include: River Valley Services; the Gilead House; Community Health Center; Rushford Center; and, the Connection, itself.

The Connection does not anticipate undertaking any more than the 30 units of Shelter Plus Care within the next five year period. However, the Executive Director has indicated that the Connection is looking at the possibility of providing twenty-five (25) units of assistance throughout the City in a family or home setting for those who are poor rental risks. To that end, Connection may be seeking Section 8 Self-Sufficiency units. This will be clarified in further CHAS reports.

Because of the role that The Connection plays in dealing with persons of special need, this is a priority 1 program.

It is likely that another social service agency will, during the next five years, apply for Shelter Plus Care funds to satisfy the growing need for persons with various illnesses and disabilities.

CHAS Table 3

Priorities for Assistance 5-Year Plan

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

Comprehensive Housing Affordability Strategy (CHAS)

Name of Jurisdiction(s) or Consortium:

City of Middletown, Connecticut

Five Year Period: (enter fiscal yrs.)

FY: 1992 through FY: 1996

Activity	Elderly 1 & 2 Member Households (A)	Small Related (2 to 4) (B)	Large Related (5 or more) (C)	All Other Households (D)	Owners		Homeless Persons (H)	Other Persons with Special Needs (I)
					Existing Homeowners (E)	First-Time Homebuyers With Children (F)		
Very Low-Income Persons	1. Moderate Rehabilitation / Acquisition	3	1	3	1	3	0	1
	2. New Construction, Substantial Rehabilitation, Related Infrastructure	1	2	3	3	1	0	2
	3. Rental Assistance	2	1	2				1
	4. Homebuyers Assistance					1	0	
	5. Support Facilities and Services	1	2	3	3	2	3	1
Other Low-Income Persons	6. Moderate Rehabilitation / Acquisition	2	1	3	1	1	0	2
	7. New Construction, Substantial Rehabilitation, Related Infrastructure	2	3	3	3	1	0	2
	8. Rental Assistance	3	1	3				2
	9. Homebuyers Assistance					1	3	
	10. Support Facilities and Services	2	2	3	3	1	2	1

CHAS TABLE 3 - NARRATIVE

FIRST TIER PRIORITIES

Families and Individuals Earning 50% of Median Income:

- . Moderate rehabilitation/acquisition for small family renters
- . Moderate rehabilitation/acquisition for large family renters.
- . Moderate rehabilitation/acquisition for existing homeowners
- . Moderate rehabilitation/acquisition for homeless persons
- . New construction/substantial rehabilitation/related infrastructure for elderly/one and two member households.
- . New construction/substantial rehabilitation/related infrastructure for first-time homebuyers with children.
- . Rental assistance for small family renters, large family renters and the homeless.
- . Homebuyers assistance for first-time homebuyers with children.
- . Support facilities and services for elderly one and two member households.
- . Support facilities and services for homeless persons and other persons with special needs.

For Families and Individuals Earning 80% of Median Income:

- . Moderate rehabilitation/acquisition for small family renters and large family renter households.
- . Moderate rehabilitation/acquisition for existing homeowners.
- . Moderate rehabilitation/acquisition for first-time homebuyers with children
- . Moderate rehabilitation/acquisition for homeless persons.

- . New construction/substantial rehabilitation/related infrastructure for first-time homebuyers with children.
- . Rental assistance for small family renters.
- . Homebuyers assistance for first-time homebuyers with children.
- . Support facilities and services for first-time homebuyers with children.
- . Support facilities and services for homeless persons and other persons with special needs.

SECOND TIER PRIORITIES

For Families and Individuals Earning 50% of Median Income:

- . Moderate rehabilitation/acquisition for other persons with special needs.
- . New construction/substantial rehabilitation/related infrastructure for small and large family renters.
- . New construction/substantial rehabilitation/related infrastructure for homeless persons and persons with special needs.
- . Rental assistance for elderly/one and two member households and all other households.
- . Rental assistance for persons with special needs.
- . Support facilities and services for elderly/one and two member households, small family renters and large family renters.
- . Support facilities and services for first-time homebuyers with children.

For Families and Individuals Earning 80% of Median Income

- . Moderate rehabilitation/acquisition for elderly/one and two member renter households.
- . Moderate rehabilitation/acquisition for persons with special needs.

- . New construction/substantial rehabilitation/related infrastructure for elderly/one and two member rental households.
- . New construction/substantial rehabilitation/related infrastructure for homeless persons and other persons with special needs.
- . Rental assistance for large families, homeless persons and other persons with special needs.
- . Support facilities and services for elderly one and two member households small and large family renters and other first-time homebuyers.

THIRD TIER PRIORITIES

For Families and Individuals Earning 50% of Median Income:

- . Moderate rehabilitation/acquisition for elderly/one and two member households and all other rental households.
- . Moderate rehabilitation/acquisition for first-time homebuyers with children.
- . New construction/substantial rehabilitation/related infrastructure for other rental households.
- . New construction/substantial rehabilitation/related infrastructure for existing homeowners.
- . Support facilities and services for other rental households.
- . Support facilities and services for existing homeowners and first-time homebuyers without children.

For Families and Individuals Earning 80% of Median Income:

- . Moderate rehabilitation/acquisition for other rental households.
- . New construction/substantial rehabilitation/related infrastructure for small family, large family and other rental households.

- . New construction/substantial rehabilitation/related infrastructure for existing homeowners.
- . Rental assistance for elderly/one and two member households and other rental households.
- . Homebuyers assistance for first time homebuyers without children.
- . Special facilities and services for other rental households and existing homeowners.

LOWEST PRIORITIES

For Families and Individuals Earning 50% of Median Income:

- . Moderate rehabilitation/acquisition/new construction/substantial rehabilitation/related infrastructure and homebuyers assistance for first-time homebuyers without children.

For Families and Individuals Earning 80% of Median Income:

- . Moderate rehabilitation/acquisition and new construction/substantial rehabilitation/related infrastructure for first-time homebuyers without children.

SECTION 8

ONE-YEAR PLAN

ONE-YEAR PLAN

To some degree, the funding resources available in this, the first year of the CHAS, will be somewhat difficult to predict. The largest unknown will be the funds made available through the H.O.M.E. program via the State of Connecticut for communities like Middletown. While Middletown, according to the State CHAS, does exhibit fairly high scores in such categories as "Rental Rehabilitation Location Index", State H.O.M.E. funds will be allocated according to competitive proposals. According to the criteria for use of H.O.M.E. funds, many of the proposals offered by the City of Middletown in the first year are eligible for H.O.M.E. funding.

The City of Middletown also has several non-profit organizations which are actively asserting themselves in the affordable housing market and programs. The extent to which these agencies apply for Federal and/or State funds will also determine the City's effectiveness in producing affordable housing units during 1992 and 1993. It is clearly the intent of the City to encourage all organizations who wish to address affordable housing issues to apply for and receive funds, whether on their own or in partnership with the City.

In 1991, the City entertained proposals for the expansion of Marino Manor Elderly Housing complex at the junction of Randolph and Route 17. Now moving toward implementation, a tentative commitment has been made from the Connecticut Department of Housing's Rental Homes for the Elderly Program.

The Connecticut Department of Housing is also crucial in several other programs to be implemented in 1992 and 1993. The City has received an award of \$492,000+ under the State's Housing & Community Development Program with a two-year implementation period. A significant portion of those funds are

allocated to rehabilitation activities for those persons between 80% and 100% of the median income in the City's North End Renewal Area.

The City's application for Housing Development Zone designation, still pending, is also designed to encourage rehabilitation activities through the provision of tax incentives within the North End Renewal Area. The City will continue to press for designation.

The State of Connecticut is also expected to play a role in housing development through the provision of land. In 1991, the State offered excess land for which developer interest was sought. After a preliminary designation, the Department of Housing determined that it was necessary to rescind any approvals until such time as it could review its standards for accepting RFP's and designating developers. The 9+ acre site off Long Lane is capable of providing fifteen (15) new homeownership opportunities in a single family detached setting.

Similarly, unused land owned by the State of Connecticut, has been identified near Bow Lane. This parcel was acquired when the Connecticut Department of Transportation acquired land for the Route 9 construction. It is now excess land adjacent to a parcel of City excess land. It is felt that seven to ten acres can be assembled through the cooperation of the State, the City's Water & Sewer Department (which holds title to an unused water standpipe site) and a private landowner (2.3 acres).

The City of Middletown continues to use the Community Development Block Grant Program as the focal point of many activities which either directly or indirectly support affordable housing. For example, the CDBG funds serve as the seed money for Equity in Housing in Middletown, Inc., in cooperation with

CHFA (and/or H.O.M.E.), to provide affordable limited equity housing opportunities for very low-income families. CDBG also, in the 1992 fiscal year, will provide funds for the YMCA to replace fire doors at its transitional shelter. CDBG funds to the Housing Authority have been augmented recently to provide sufficient monies for an elevator in the Sbona Towers elderly housing complex. Other CDBG programs requested in 1992 include funds for the Red Cross Shelter Manager, salaries for the Connection's Homeless Shelter at Eddy Home, salaries for the Connection's Women's & Children's Center, counselling room improvements for the Rushford Center, kitchen improvements at Shepherd Home and door and ramp improvements at the YMCA for their residential transitional facility.

In the early years of the Community Development Block Grant Program, heavy investments were made in the City's Residential Rehabilitation Program which is now yielding, via the Revolving Fund, sufficient returns so that the program is largely self-sustaining. The City has long emphasized the preservation of existing housing rather than new construction. Through the use of the Residential Rehabilitation Program, the Rental Rehabilitation Program, the Equity in Housing Program, combined with various Section 8 Vouchers/Certificates and grants garnered by the Nehemiah Housing Corporation, the City has an enviable record of rescuing and rehabilitating existing housing resources for long-term use.

Similarly, Gilead House uses existing residential resources to house their clients. As in the past, Gilead will continue to seek rental subsidies from the Department of Mental Health for their very low income tenants.

New construction activities, in the next year, will be limited to the provision of additional elderly housing and to the provision of some new

homeownership opportunities for low and moderate income persons. Homeownership for first time low and moderate income buyers is planned through the Military Road project, wherein sixteen (16) units of single family housing, will be secured from the U.S. Army and conveyed to eligible first time buyers. Funding sources include: DCH Housing Land Bank/Land Trust Program; CHFA; and, City CDBG downpayment assistance.

The fifteen (15) units of new housing on Long Lane will also be supported by funding from the following sources, depending upon which entity receives the final award: GMCC - Federal Home Loan Bank of Boston, CHIF, CDBG and CHFA; or, Forest City Affordable Housing Corp. - CHFA, DCH Downpayment Assistance Program, FHA Mortgage Insurance, Federal Home Loan Bank of Boston and CDBG.

The City of Middletown, through its Health Department, has an aggressive program of code enforcement, particularly in the older portions of the City. The resources of this department have been invaluable, in the past, by referring to the Greater Middletown Community Corporation those homeowners who may qualify for assistance under the Rental Rehabilitation and Residential Rehabilitation Programs. Similarly, long standing cooperative efforts with the Building Department and the City's various fire departments has led to the recording of code violations and the resultant rehabilitation of many structures and units for residents of low and moderate income.

The Rental Rehabilitation and Residential Rehabilitation Program have long relied upon the cooperation of local financial institutions for the private match of rehabilitation activities. This also holds true for the DCH Housing & Community Development Program whereby State funds are being loaned at a 4% interest rate. The City of Middletown notes that with the recent "credit crunch", financial institutions are taking a more cautious look at applicants.

This, in some cases, has caused projects to slow down until a willing financial institution has made a commitment for the private match. Despite this slow down, the City is pleased with the responsiveness shown by area banks under the Community Reinvestment Act.

In summary, the largest unknown is the role that H.O.M.E. funds will play in a competitive setting. The City of Middletown believes that even with some modest success in the competition for H.O.M.E. funds, the one-year plan as outlined in this report is "doable" and realistic.

CHAS Table 4/5A

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

Anticipated Resources & Plan for Investment

Comprehensive Housing Affordability Strategy (CHAS)

Name of Jurisdiction(s) or Consortium: City of Middletown, Connecticut

FY: 1992

Funding Source Federal Funds Awarded or to be Awarded to Jurisdiction	Anticipated resources expected to be committed to projects/activities during FY (\$000's)									
	Anticipate to be Available (A)	Expect to Commit (B)	Rehabilitation (C)	Acquisition (D)	Tenant Assistance (E)	New Construction (F)	Home Buyer Assistance (G)	Planning Grants (H)	Support Services (I)	Operating Costs (J)
1. Home	100	100		100						
2. Hope 1										
3. Hope 2										
4. Hope 3										
5. CDBG 1st time homebuyer	179	179		54			125			
6. DOE/Other Energy Prg.										
7. Other CDBG (Specify)	200	200	200							
8. Rental Rehab	98	98	98							
9. Subtotal - Housing	577	577	298	154			125			
10. CDBG (Homeless)		19							19	
11. ESG										
12. Perm. Housing for Handicapped										
13. Transitional Housing	750	750								750
14. Shelter Plus Care										
15. Other (Specify)										
16.										
17.										
18. Subtotal - Homeless	750	769					125		19	750
			200	454					19	750

Funding Federal Funds Awarded or to be Awarded to Other Entities	Anticipated resources expected to be committed to projects/activities during FY (\$000's)							Support Services (I)	Planning Grants (H)	Home Buyer Assistance (G)	New Construction (F)	Rental Assistance (E)	Acquisition (D)	Rehabilitation (C)	Expect to Commit (B)	Anticipate to be Available (A)
20. Hope 1																
21. Hope 2																
22. Hope 3																
23. Section 202 Elderly																
24. Section 811 Handicapped																
25. Rental Certificates												240			240	240
26. Rental Vouchers												1,515			1,515	1,515
27. Mod Rehab SROs Proj.																
28. Perm. Housing for Handicapped																
29. Transitional Housing																
30. LIHTC																
31. Public Housing MROP																
32. Public Housing Develop.																
33. Public Housing CIAP																
34. Public Housing Comprehensive Grant Program																
35. FmHA																
36. Other (Specify)																
37. Shelter Care Plus												794			794	794
38.																
39. Total - Other Entities												2,549			2,549	2,549
40. Total - Federal												2,549	154	298	3,895	3,876

Funding Source	Anticipated resources expected to be committed to projects/activities during FY (\$000's)									
	Anticipate to be Available (A)	Expect to Commit (B)	Rehabilitation (C)	Acquisition (D)	Tenant Assistance (E)	New Construction (F)	Home Buyer Assistance (G)	Planning Grants (H)	Support Services (I)	Operating Costs (J)
Non-Federal Funds										
41. Total State Funds	5,033	5,033	690	1,284	19	3,040				
42. Total Local Funds										
43. Total Private Funds	380	380	380							
44. Total - Non-Federal Funds	5,413	5,413	1,070	1,284	19	3,040				
45. Grand Total All Funds	9,289	9,308	1,368	1,438	2,568	3,040	125		19	750

SECTION 9

ONE-YEAR GOALS

ACTION PLAN

I. GOAL: IMPLEMENT THE NORTH END URBAN RENEWAL PROGRAM

PROGRAMS:

A. Adopt Urban Renewal Plan

The Middletown Redevelopment Agency is in the process of revising and updating the draft Urban Renewal Plan with an anticipated adoption date by the Common Council of September, 1992. This will include a Relocation Plan, should the City decide to acquire any structures such as the Arriwani Hotel requiring SRO relocation resources. Land use decisions affecting affordable housing are being addressed in concert with the Planning & Zoning Department.

B. Moderate Income Low Interest Loan Rehabilitation Program

The Greater Middletown Community Corporation, administrator of the Department of Housing Rehabilitation Funds for those 80% to 100% of median income, anticipates assisting sixteen (16) units of housing within the City's North End through the commitment of \$150,000 of DOH grants matched with \$80,000 of privately secured funds from financial institutions.

C. Rental Rehabilitation and Residential Rehabilitation Programs

Both these programs have been targeted for the North End Urban Renewal Area. Between them, thirty-five (35) units of housing will be assisted during the next fiscal year involving \$98,000 of Rental Rehabilitation funds from HUD, \$200,000 of Rehabilitation Revolving CDBG funds and \$300,000 of private funds from financial institutions. These programs are also discussed under Goal III.

D. Housing Development Zone

The City of Middletown has before the Department of Housing, a request for Housing Development Zone designation pursuant to Section 8/376-381 of the Connecticut General Statutes. To date, the City has met all the local financial requirements including adopting an ordinance providing tax abatements over an eleven year period for the value of rehabilitation activities. Housing Zone designation will be pursued by the City of Middletown. With that designation, the City will receive priority consideration for any DOH funding applications.

E. Nehemiah Housing Corporation

To date, the Nehemiah Housing Corporation has provided eighteen (18) units of housing in the City's North End. Nehemiah proposes an additional 12 units of cooperative housing within the same geographic area using the resources of Department of Housing's Sweat Equity Cooperative Program. Nehemiah provides housing to those of very low and low income. The funding required is \$540,000.

II. GOAL: PROVIDE HOMEOWNERSHIP OPPORTUNITIES FOR FIRST TIME HOME BUYERS OF LOW AND MODERATE INCOME

A. Military Road Housing

The Middletown Housing Partnership Trust has been working with the U.S. Army to acquire sixteen (16) units of single family detached housing on Military Road. The City has developed a lottery system of interested homeowners and has conducted prequalifications of

those who will be invited to purchase homes, once available from the Military. The funding sources and amounts are: DOH Housing Land Bank/Land Trust Program - \$483,597; CHFA set-asides - \$800,000; and, CDBG for closing costs, deferred second mortgages and rehab - \$125,000

B. Long Lane Housing

Several non-profit organizations have continued their interest in the construction of fifteen (15) units of single family housing on Long Lane on land now owned by the State. The RFP process is currently under review by DOH. It is expected that during the next year, developer interest will again be sought. This will provide nine (9) units of large family housing and six (6) units of small family housing for households between 50% and 80% of median income. The City of Middletown has allocated \$54,000 from its 1991 Entitlement Program for utility extensions to service the project. Using the funding sources as identified in the GMCC application, CHIF and FHLB have been asked to loan \$1,740,432 to the project. Both have replied with letters of intent.

C. Equity in Housing

This non-profit, which has been created solely for providing limited equity low income ownership opportunities, projects the acquisition of four units of housing during the next year which will require an additional \$100,000 in CDEG funds and \$150,000 from either CHFA or the Federal Home Loan Bank of Boston. Additionally, Equity in Housing projects utilizing non-CDEG sources to finance supplemental units. Equity in Housing utilizes a scattered site concept.

III. GOAL: PRESERVE AND IMPROVE EXISTING HOUSING STOCK THROUGH REHABILITATION PROGRAMS

A. Rental Rehabilitation Program

Recently, the City has been awarded an additional \$67,500 under the Rental Rehabilitation Program. The Greater Middletown Community Corporation anticipates the improvement of fourteen (14) units utilizing \$98,000 of these resources during the next year. This program is applicable throughout the City; however, it is concentrated in the North End. An equal financial match is required from the applicant usually provided by a participating lender. As a last resort, the CDBG Rehabilitation Revolving Fund has been used.

B. Residential Rehabilitation Program

The Greater Middletown Community Corporation administers this program on a City-wide basis with emphasis on the North End Urban Renewal Area. An estimated twenty-one (21) units will be improved during the next fiscal year using \$200,000 of CDBG Revolving Funds and a similar amount provided by local financial institutions as the private match.

IV. GOAL: UPGRADE/MODERNIZE/REPLACE/INCREASE PUBLIC HOUSING UNITS

A. Expansion of Marino Manor

Using \$1.3 Million Dollars from the Elderly Housing Fund of the Connecticut Department of Housing, Affordable Housing Ventures, Inc., a non-profit entity, will turnkey eighteen (18) units of

housing in order to expand Marino Manor from 40 to 58 units of elderly housing. Ten (10) units will be on a site formerly occupied by the Long Hill School and to be conveyed to the Housing Authority. The remaining eight (8) units will be on land already owned by the Middletown Housing Authority.

V. GOAL: MAINTAIN SUFFICIENT LEVEL OF UNITS/BEDS FOR EMERGENCY AND TRANSITIONAL HOUSING

A. Shepherd Home

The Mercy Housing and Home Corporation which manages the Shepherd Home, a 72 unit facility on the grounds of the Connecticut Valley Hospital, is nearing the end of its five year cycle for McKinney funds. Therefore, the City and Mercy Housing Corp. will be submitting an application for \$750,000 (\$150,000 per year for five years) to HUD for McKinney funds for management services. In addition, CDBG funds will provide \$7,832 for kitchen improvements to that facility. These improvements will not increase the supply of affordable housing, rather will allow continued use of the 72 units in a building leased from the State of Connecticut to the City of Middletown.

B. Gilead Housing

Gilead House, Inc. is a private non-profit agency which provides an array of services for persons with mental illness. This agency targets the very low income, basically without any resources. They are poor and on fixed incomes such as Social Security and Welfare. Gilead House maintains housing throughout the community and, during

the next year, proposed to acquire three units of shared apartments with six beds. These will be at scattered sites at a total cost of \$18,720. The funding source will be the CT Department of Mental Health.

VI. GOAL: MAINTAIN SUFFICIENT NUMBER OF RENTAL ASSISTANCE UNITS THROUGHOUT THE CITY

A. Section 8 Self-Sufficiency

The Middletown Housing Authority has requested 35 self-sufficiency units during the next fiscal year. These will be secured from HUD.

B. Section 8 Certificates/Vouchers

The Middletown Housing Authority will be requesting an additional 25 Section 8 certificates and/or vouchers from the U.S. Department of Housing & Urban Development for use throughout the City of Middletown.

C. Shelter Care Plus

The Connection, Inc has submitted an application to HUD for \$794,000 (\$158,800 per year for five years) to provide rental subsidies for thirty (30) persons with the following disabilities: 10 - mental; 10 - substance abuse; 2 - AIDS; and, 8 - combination of mental and substance abuse problems. Rental accommodations will be: 7 - SRO's; 9 - efficiency units; 13 - 1 bedroom units; and, 1 - 2 bedroom units.

CITY TABLE "H"

1ST YEAR HOUSING UNIT GOALS USING ALL FEDERAL, STATE & LOCAL FUNDING SOURCES

Assistance Provided by Income Group	Total Goals (B)	Renters					Owners			
		Elderly 1 & 2 Member Households (C)	Small Related (2 to 4) (D)	Large Related (5 or more) (E)	All Other Households (F)	Total Renters (G)	Existing Homeowners (H)	First-Time Homebuyers		Total Homeown (K)
								With Children (I)	All Others (J)	
1. Very Low-Income (0 to 50% of MFI)*	203	124	53	16	--	193	2	8	--	10
2. Mod Rehab & Acquisition	20	1	6	3	--	10	2	8	--	10
3. New Const, Sub Rehab, Related Infrastructure	18	18	--	--	--	18	--	--	--	--
4. Rental Assistance	93	33	47	13	--	93				
5. Homebuyer Assistance	--									
6. Support Services	72	72	--	--	--	72	--	--	--	--
7. Other Low-Income (51% to 80% of MFI)*	92	6	30	12	--	48	5	39	--	44
8. Mod Rehab & Acquisition	45	3	15	6	--	24	5	16	--	21
9. New Const, Sub Rehab, Related Infrastructure	47	3	15	6	--	24	--	23	--	23
10. Rental Assistance	--	--	--	--	--	--				
11. Homebuyer Assistance	--									
12. Support Services	--	--	--	--	--	--	--	--	--	--
13. Total Low-Income (Lines 1 and 7)	295	130	83	28	--	241	7	47	--	54
14. Other Income (More than 80% of MFI)*	12	2	6	2	--	10	2	--	--	2
15. Grand Total (Lines 13 and 14)	307	132	89	30	--	251	9	47	--	56

CHAS Table 5B

Goals for Families
to be Assisted with HousingU.S. Department of Housing and Urban Development
Office of Community Planning and Development

Comprehensive Housing Affordability Strategy (CHAS)

Name of Jurisdiction(s) or Consortium:

City of Middletown, Connecticut

FY:

1992

Assistance Provided by Income Group	Total Section 215 Goals (A)	Total Goals (B)	Elderly 1 & 2 Member Households (C)	Renters			Total Renters (G)	Existing Homeowners (H)	Owners		Total Homeowners (K)
				Small Related (2 to 4) (D)	Large Related (5 or more) (E)	All Other Households (F)			First-Time Homebuyers With Children (I)	All Others (J)	
1. Very Low-Income (0 to 50% of MFI)*	108	170	103	52	15	--	170	2	8	--	10
2. Mod Rehab & Acquisition	18	18	1	5	2	--	8	2	8	--	10
3. New Const, Sub Rehab, Related Infrastructure	--	--	--	--	--	--	--	--	--	--	--
4. Rental Assistance	90	90	30	47	13	--	90	--	--	--	--
5. Homebuyer Assistance	--	--	--	--	--	--	--	--	--	--	--
6. Support Services	--	72	72	--	--	--	72	--	--	--	--
7. Other Low-Income (51% to 80% of MFI)*	64	64	3	12	5	--	20	5	39	--	44
8. Mod Rehab & Acquisition	41	41	3	12	5	--	20	5	16	--	21
9. New Const, Sub Rehab, Related Infrastructure	23	23	--	--	--	--	--	--	23	--	23
10. Rental Assistance	--	--	--	--	--	--	--	--	--	--	--
11. Homebuyer Assistance	--	--	--	--	--	--	--	--	--	--	--
12. Support Services	--	--	--	--	--	--	--	--	--	--	--
13. Total Low-Income (Lines 1 and 7)	172	234	106	64	20	--	190	7	47	--	54
14. Other Income (More than 80% of MFI)*	--	--	--	--	--	--	--	--	--	--	--
15. Grand Total (Lines 13 and 14)	--	234	106	64	20	--	190	7	47	--	54

*Or, if appropriate, based on HUD Income limits with required statutory adjustments.

SECTION 10

MONITORING PLAN

MONITORING PLAN

The City of Middletown will monitor the progress it has made in carrying out its housing strategies through regular reviews of programs and activities which fall under the auspices of the CHAS.

The City of Middletown, Municipal Development Office, is the agency responsible for the administration of the Community Development Block Grant program. Staff of the Municipal Development Office regularly monitors the progress of subrecipients, including those who have a role in furthering the housing availability and affordability for low and moderate income persons. Therefore, CDBG staff has been and will continue to be involved in program oversight.

In addition, the Middletown Housing Partnership has taken upon itself, a proactive role in providing affordable housing pursuant to Public Act #88-305 of the Connecticut General Assembly. A subcommittee of the Partnership was appointed for purposes of assisting in the CHAS preparation. That subcommittee will continue to be involved with the CHAS process by annually reviewing and updating the entire CHAS program. The timing of the annual review will be such that the subcommittee's report will coincide with the preparation of the annual Community Development Block Grant budget as presented to: the Citizen's Advisory Committee, the Common Council of the City of Middletown, and ultimately, to the U.S. Department of Housing and Urban Development.

Each year the subcommittee of the Middletown Housing Partnership will be asked to update the five-year and one-year programs and to update and modify

Sections 5 and 6 of this report based upon the availability of new information. It is expected that with the full release of 1990 Census data, next year's CHAS can be revised significantly. To be effective, the subcommittee must begin its annual review process no later than March of each calendar year.

The Citizen's Advisory Committee receives monthly reports from its staff on the progress of all open projects. When it is apparent that projects are somewhat stagnant, inquiries are directed toward subrecipients and encouragement given to accelerate the program. That failing, warning letters are then forwarded as directed by the Citizen's Advisory Committee. This process has worked well in the past, and is applicable to all CDBG funded projects including those where the production of new or rehabilitated units are the end result.

SECTION 11

CERTIFICATIONS

Certification

The jurisdiction hereby certifies that it will affirmatively further fair housing.

Signature of Certifying Official

x Sebastian J. Garafalo

Certification

The jurisdiction hereby certifies that it will comply with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, implementing regulations at 49 CFR 24, and the requirements governing the residential antidisplacement and relocation assistance plan under section 104(d) of the Housing and Community Development Act of 1974 (including a certification that the jurisdiction is following such a plan).

Signature of Certifying Official

x Sebastian J. Garafalo

Note: The jurisdiction's execution of these certifications acknowledges that it will maintain supporting evidence, which shall be kept available for inspection by the Secretary, the Comptroller General of the United States or its designees, the Inspector General or its designees, and the public.

SECTION 12

SUMMARY OF CITIZEN COMMENTS



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY
WASHINGTON, D.C. 20410
June 30, 1992

MEMORANDUM FOR: William H. Hernandez, Jr., Manager
Hartford Office, 15

FROM: Jack Kemp, Secretary, S

SUBJECT: Request for Waiver of 60-Day Public Comment
Period for the City of Middletown, Connecticut
Comprehensive Housing Affordability
Strategy (CHAS)

This responds to your memorandum of June 18, 1992 recommending approval of a request to waive for the City of Middletown, Connecticut the Comprehensive Housing Affordability Strategy (CHAS) 60-day public comment period for Fiscal Year 1992. Subpart D, Section 91.40(b) of the CHAS Interim Rule, provides that the proposed housing strategy must be made available for public comment, as a part of the citizen participation process, for a reasonable period of time. In the case of strategies to be submitted after September 1991, that period of time is to be at least 60 days based on the CHAS interim rule.

In a letter dated June 11, 1992, Sebastian J. Garafalo, Mayor of Middletown, informed you that the City would not be able to make its CHAS available for comment for the full 60 day period and still submit it prior to the CDBG final statement and CHAS certification deadline, which is September 1. In its June 11 letter, the City makes the case that despite limited staff and related resources, it has exerted a great deal of time and effort to produce a thorough and informative CHAS.

The CHAS Interim Rule at 24 CFR 91.99(a), provides that the Secretary may waive, for good cause, any requirement of the regulation that is not required by statute. The City's case as presented in its June 11 letter, constitutes good cause. Further, failure to grant this waiver would adversely impact the purposes of the NAHA, since it would prevent Middletown from receiving its Fiscal Year 1992 CDBG allocation of \$441,000, which, in turn, would have a seriously detrimental impact on the City's low-income population.

Therefore, in response to this request, I hereby waive the regulation at 24 CFR 91.40 (b) regarding the 60-day public comment period for a CHAS, and grant a reduction in that requirement to 30 days in order to allow the City of Middletown to meet the requirement for CDBG final statement and CHAS certification.

cc: Linda Marston

LEGALS

2

**LEGAL NOTICE
COMPREHENSIVE
HOUSING
AFFORDABILITY
STRATEGY
(CHAS)**

Notice is hereby given that the City of Middletown Comprehensive Housing Affordability Strategy (CHAS) report is available for public review and comment. The report outlines those policies, strategies and actions to be taken by the City of Middletown and by other housing providers to increase the housing opportunities and related support services for low and very low income persons. During the next fiscal year, the CHAS report projects various assistance goals for 234 housing units, with financial resources from the U.S. Department of Housing & Urban Development (HUD), the Connecticut Department of Housing (DOH), CHFA, the Federal Home Loan Bank and the Connecticut Department of Mental Health.

Copies of the CHAS report are available for public inspection from June 22, 1992 until July 22, 1992, during normal business hours at the following locations in Middletown:

- Russell Library — 123 Broad Street.
 - Town Clerk's Office — Municipal Building — 245 deKoven Drive.
 - Municipal Development Office — Municipal Building — 245 deKoven Drive.
 - Community Health Center — 635 Main Street.
 - Middletown Housing Authority — 40 Broad Street
 - Connecticut Legal Services — 425 Main Street
 - Middlesex County Chamber of Commerce — 393 Main Street
 - Midstate Regional Planning Agency — 100 deKoven Drive
- A Public Hearing on the CHAS will be held on Thursday, July 9, 1992 at 7:00 p.m. in the Council Chamber of the Municipal Building, 245 DeKoven Drive, Middletown, Connecticut.
- All written comments must be submitted to the Municipal Development Office, Room 208, Municipal Building, 245 deKoven Drive, Middletown, Connecticut 06457, no later than July 22, 1992.

WILLIAM M. KUEHN JR.
Municipal Development
Director

Dated at Middletown, Connecticut, this 22nd day of June, 1992.

**LEGAL NOTICE
COMPREHENSIVE
HOUSING
AFFORDABILITY
STRATEGY
(CHAS)**

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WILLIAM M. KUEHN JR.
Municipal Development
Director

Dated at Middletown, Connecticut, this 22nd day of June, 1992.

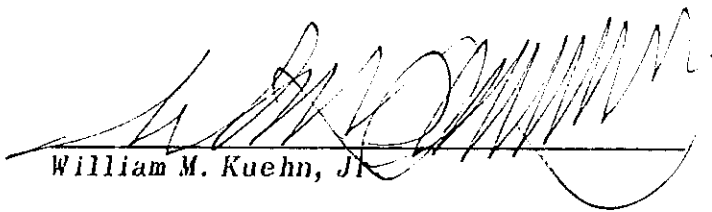
PUBLIC HEARING
CHAS ADVISORY COMMITTEE

July 9, 1992

PRESENT: Attorney Marvin Farbman
William Kuehn

Pursuant to legal notices placed in the Middletown Press on June 20, 1992 and July 6, 1992, Attorney M. Farbman opened a public hearing on the draft Comprehensive Housing Affordability Strategy (CHAS) at 7:00 p.m. in the Council Chamber of the Municipal Building.

With no one present from the public, the public hearing was formally closed at 7:30 p.m.



William M. Kuehn, Jr.

WMK/bds

MEMORANDUM

TO: Municipal Development Office, City of Middletown
FROM: Marvin Farbman, Connecticut Legal Services
DATE: July 8, 1992
RE: Comments on CHAS

Page 10, Variety of housing

The CHAS states that the City's "burden" of providing housing for non-family households is proportionately greater than that of other towns in the mid-state region.

Describing non-family housing as a burden may appear insulting to non-family households.

The CHAS should focus better on two non-family housing problems. 1) The CHAS should attempt to quantify the shortage of affordable rooms and efficiencies in the city and construct a plan for responding to it. 2) The CHAS should, also, attempt to identify sub-groups of single people in the city in need of supportive services and adopt a strategy for providing these services. (Note that CHAS Table 1B will have to be completed in future CHASes.)

Page 10, Renters

The CHAS states that Middletown carries a greater "burden" of renters than the surrounding towns. Calling renters a burden, again, may appear insulting to people who rent.

Page 11, Subsidized housing

The CHAS adopts the following conclusion from the State CHAS.

It is clear that Middletown contains a disproportionate amount of subsidized housing than the remainder of the [mid-state] region. This total has to be distributed through the whole region to assure adequate housing choice and opportunity for low income residents.

Middletown's CHAS should clear a surface ambiguity from this State CHAS language. The State CHAS is not calling for replacing Middletown's hard subsidized

units with others located in Durham, Haddam, etc.. Nor is it asserting that the region does not need any more subsidized housing. What it is saying, unartfully, is that the suburban and ex urban towns in the region are not meeting their obligation to provide housing for low-income and very low-income households.

Page 15, Housing affordable to households with income under \$15 thousand a year

The next to the last paragraph asserts that Middletown has a shortfall of at least 245 rental units affordable to households with incomes under \$15 thousand a year. (Lowest-income group households.) This statement is based on faulty reasoning.

The asserted 245 unit gap is arrived at by subtracting the number of assisted rental units in the city from the number of households in the lowest income group (less an estimated 600 elderly homeowners). The problem is that many assisted units are not occupied by or available to these lowest income households.

A large majority of the 1,011 \$236 and \$221 d3 BMIR units in the city are occupied by households with incomes above \$15 thousand.

The Middletown Housing Authority generally has 60 or so higher income families living in its 300 low-income family units and, at least, 150 higher income families in its state moderate-income family units.

Generally, 50 or so recipients of portable \$8 in the city have incomes over \$15 thousand.

Not all the 486 project based \$8 units in the city are occupied by households in the \$0 to \$15 thousand a year income group.

The shortfall in rental units affordable to the lowest income group is, therefore, much higher than 245. If this were not so, the rental subsidy needs reported in "City Table A" would be much lower.

Page 36, Privatization of assisted housing

The CHAS repeats P & Z staff's recommendation that the City should consider privatizing some of its existing assisted housing. If privatizing a unit means stripping subsidy and removing long-term use

restrictions from it, privatization will add to the City's assisted housing needs reported in CHAS Table 1A.

Page 37, Density exceptions

The CHAS repeats P & Z staff's recommendation regarding a special exception allowing high density developments in return for construction of moderate income housing. This special exception should require construction of housing serving the full range of households in need--from the very poorest to those with moderate incomes.

Pages 42-43 and 68, North end renewal

The CHAS should make two observations, both pointing to the same conclusion. First, the low-income housing supply in the City can not absorb massive displacement from the north end. Second, state and federal law likely will require the replacement, one for one, of low-cost units that are demolished or taken out of service to low-income households. Therefore, north end renewal will not be able to proceed without the creation of replacement housing.

The Redevelopment Agency's relocation plan will have to be expanded to include a replacement housing plan.

Page 45, 50 and 68, Residential rehabilitation

The State CHAS requires that,

[h]ousing rehabilitated with Small Cities [CDBG] funds must remain affordable for a minimum of five years after project completion, with the length of time increased proportionately based on the amount of funds allocated to the project. (Page 324)

Middletown's CHAS should adopt the same rule for Middletown's CDBG funded residential rehabilitation program.

Pages 49 and 70, Equity in Housing

Equity in Housing's five year goal is double what the CHAS reports. 20 units represents what EIH hopes to produce with Middletown CDBG grants. EIH will seek other funds to create an additional 20 units over this period.

Page 51, Long River Village

Future CHASes must grapple with troubling questions raised by the Long River Village replacement plan.

Can the Middletown market absorb 100 additional portable \$8 subsidies (these would be 15 year certificates) without harming low-income families currently waiting for \$8 assistance under the Housing Authority's \$8 Existing Housing and Voucher program? Might regular \$8 certificates and vouchers become harder to use because of a shortage of rentals available for their use?

Is it a good trade for Middletown to give up 100 permanent units for 100 units of 15 year portable \$8?

Would the Housing Authority apply for more than the 125 regular \$8 certificates and vouchers over the next five years if the Long River Village replacement plan were not being considered?

CHAS Table 3, Priorities

I am puzzled by several allocations of priority here. A partial list of questions follow.

Why is moderate rehabilitation/acquisition more important when it serves small families than when it serves large ones?

Why is new construction/substantial rehabilitation of highest priority when it serves very low-income elderly households and of lowest priority when it serves very low-income families?

Why are support facilities and services less important for very-low income elderly and family households, and low-income family households, than they are for low-income elderly households?

Why is rental assistance for low-income small families more important than rental assistance for low-income large families?

Why is moderate rehabilitation/acquisition that serves existing homeowners a higher priority than moderate rehabilitation/acquisition that serves large family renters?

Why is new construction/substantial rehabilitation that serves very low-income first time home buyers a higher priority than moderate rehabilitation/acquisition serving this group?

Why are support facilities and services for single adults, given Middletown's special need in this area, not given a higher priority?

MEMORANDUM

TO: Attorney Marvin Farbman, Connecticut Legal Services
FROM: William M. Kuehn, Jr., City of Middletown, Municipal Development
DATE: July 15, 1992
RE: CHAS Review Comments Dated July 8, 1992

In response to your review comments of July 8, 1992, this office offers the following:

Page 10 - Variety of housing/renters

There was no intent to insult occupants of non-family housing or renters with use of the word "burden". The City of Middletown, when compared with other communities in the Midstate Region, does accommodate these groups in much greater proportions than our more suburban/rural neighbors.

The word "burden" has been stricken and substitute language used.

The concern raised about identifying non-family housing problems is related to the lack of detailed 1990 Census data. We trust that sufficient information will be forthcoming to better analyze non-family housing needs and to complete CHAS Table 1B.

Page 11 - Subsidized Housing

The office agrees with your view of the situation. The purpose of using the State CHAS quote was to, hopefully, embrace a larger view that Middletown's neighbors must begin to assume a larger role in providing subsidized housing in the region.

Page 15 - Housing affordable to households with income under \$15,000 a year

This office, which also serves as staff to the Middletown Housing Partnership, recognizes differences in opinion expressed during the development of the subcommittee report on housing needs. The cited gap of 245 units is indeed a minimum figure. Both the Housing Partnership study and the most recent HAP, from which City Table A was derived, are 1989 products. Both have the 1980 Census as their base source. With the full release of 1990 Census data, all 1980 based reports will be eliminated in future CHAS's.

Page 36 - Privatization of assisted housing

Privatization could well result in the need for an increase in subsidized units. This aspect of the City's adopted Plan of Development will be reviewed with the Planning & Zoning staff for possible clarification and/or revision.

Page 37 - Density exceptions

This office concurs that the proposed Housing Trust Fund should be used to provide a full range of housing opportunities.

Page 42-43 and 68 - North End renewal

As part of the revisions being made to the North End renewal plan, a relocation component for all proposed acquisition areas will be reviewed by the Middletown Redevelopment Agency on July 27, 1992. A public hearing on the renewal plan is anticipated for late August, 1992.

Pages 45, 50 and 68 - Residential rehabilitation

Presently, rehabilitation participants agree to certain rent controls for a two (2) year period. (Rent controls on the Rental Rehabilitation Program, soon to be phased out, are illegal according to program administrators.) Amending the rehabilitation program requirements was broached verbally on July 13, 1992 and formally requested for consideration on July 14, 1992. A major problem will be to assign record keeping responsibilities for the five (5) year period after the rehabilitation program administrators have completed their work.

Pages 49 and 70 - Equity in Housing

Corrections noted and incorporated into the CHAS.

Page 51 - Long River Village

This office agrees that plans by the Middletown Housing Authority to replace Long River Village are incomplete in terms of schedule, phasing, funding sources and community impact. As the Authority begins to articulate this project, future CHAS reports will reflect in greater detail the anticipated needs.

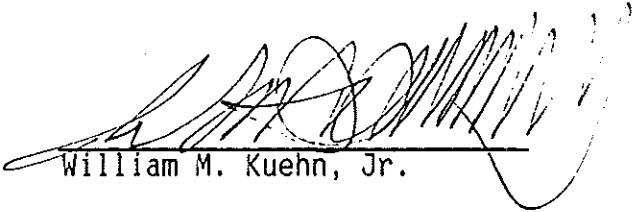
Page 55 - CHAS Table 3, Priorities

For ease of answering the seven questions, I have assigned letters a. through g. The responses follow:

- a. Numerically, the need for small family unit rehabilitation exceeds the need for large family unit rehabilitation. This is true for both very low income and low income persons.
- b. This is, in part, a reflection of the needs and proposed programs expressed by various agencies during the preparation of the CHAS. Mindful that the Middletown Housing Authority's plans to replace Long River Village remain somewhat "fuzzy", this office concurs in changing line 2, columns B and C from "3's" to "2's".

- c. The numbers in line 5, column A and in line 10, column A should be switched to reflect the anticipated construction of Marino Manor expansion, an elderly very low income housing project.
- d. Again, these priorities were assigned on the basis of Middletown Housing Authority waiting lists. This office agrees that the rental assistance needs of large families, on a one to one basis, equal or exceeds that of small families. However, the numerical need weighs heavily in favor of the smaller family unit.
- e. Upon reviewing the first year production goals in CHAS Table 5B, this office concurs in changing line 1, column C and line 6, column C from "2's" to "1's". In the process of rehabilitating multi-unit owner occupied dwellings, the initial contact and project applicant is always the owner, however, rehabbing a tenant's unit is no less important than the owners.
- f. The high priority for new construction, substantial rehab reflects the needs and programs of Equity in Housing and Nehemiah to provide very low income homeownership opportunities.
- g. Each of the cited groups have been given the highest priority as shown in line 5, columns H and I and in line 10, columns H and I.

Thank you for taking the time to review this report. Your experience with the State CHAS process and knowledge of the subject matter has made Middletown's CHAS a better product. If you need any further clarification, please feel free to contact me.



William M. Kuehn, Jr.

WMK/bds